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FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FR 1-48 February 20, 1948

WORLD RICE PRODUCTION AND TRADE 1947-48

Production Summary

The 1947-48 (August-July) world rice crop is forecast at 96 percent of prewar average production, in the third estimate of the Office of Foreign Agricultural Relations. The harvest is estimated at 7,100 million bushels of rough rice compared with 7,400 million bushels during the prewar (1935-36/39-40) average. The output, however, is nearly 150 million bushels larger than production the year before, and is 670 million bushels more than the low production of 1945-46, when the crop was reduced the greatest by the war.

The largest gain over 1946-47 harvests is in Asia, where crops are gradually recovering from the decrease in production caused by the war. Some increase took place in the production of Burma, China, Formosa, Korea, the Philippine Republic, Siam, and the Malayan Union. The crop was slightly smaller in Japan, and present prospects indicate the output of India is below that of last year.

In Europe, production was slightly above the prewar average, following a year of small crops in 1946. In the producing countries, Italy, Spain, and Portugal, the harvests were substantially larger primarily because of favorable weather.

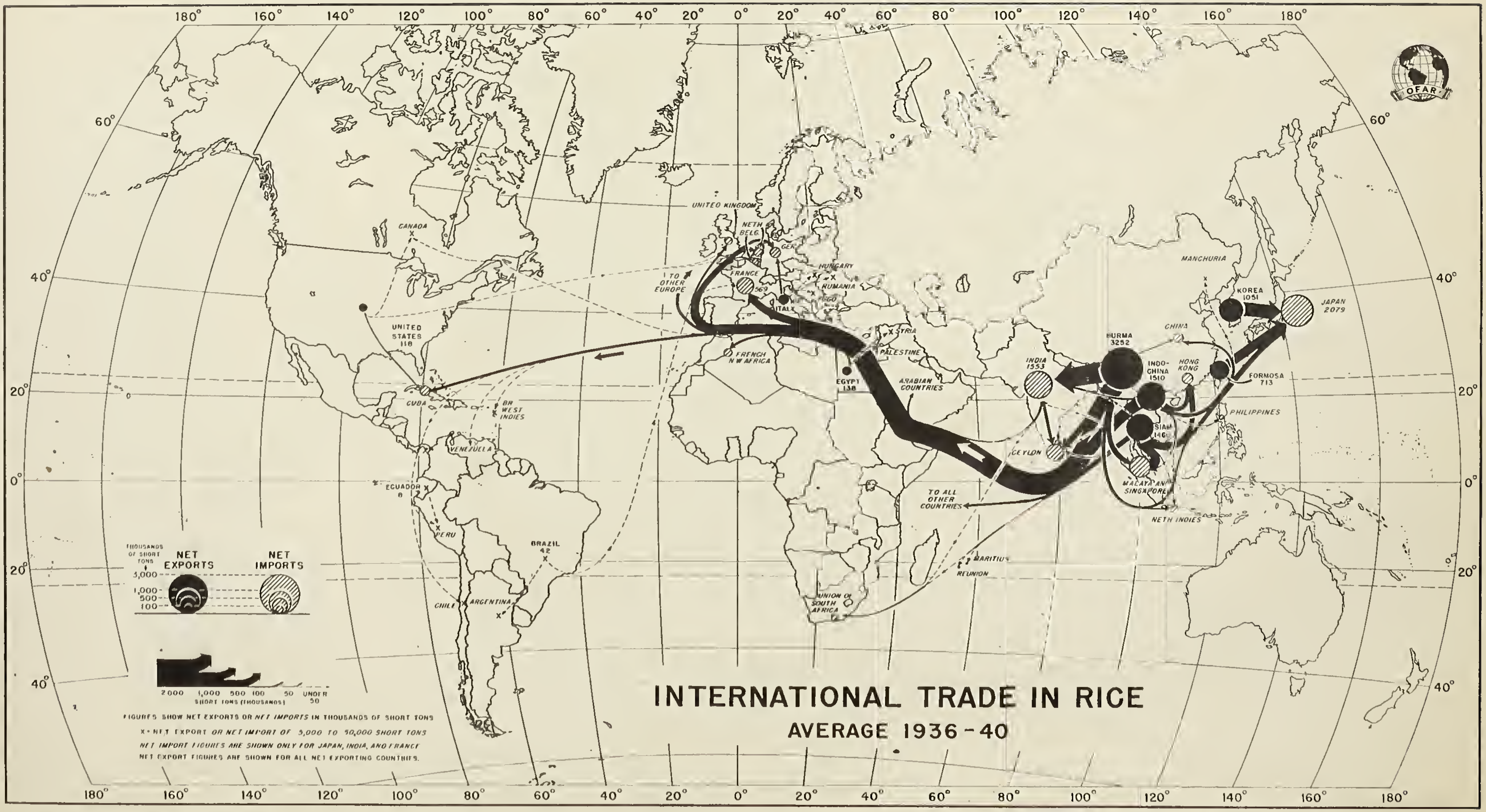
Africa's outturn is considerably above that of the preceding year, chiefly as a result of Egypt's large crop. In those countries where rice production was expanded during the war due to curtailed imports, production in 1947-48 was maintained generally at the high wartime level.

The production of the Western Hemisphere may be less than in the preceding year. The total harvest of North America was 9 percent larger than the record of the year before, but South American production is considerably below the production of a year earlier.

Trade Summary

International trade in rice during 1948 is expected to be only about one-third of the prewar average, and slightly larger than in 1947. Compared with prewar exports of 8.7 million short tons, the volume available from surplus countries is estimated in the neighborhood of 3 million tons. In 1947 around 2.6 million tons were exported.

World rice supplies continue to be subject to allocation by the International Emergency Food Committee. The greatest import need for rice in 1948 is in Asia, where production has not yet fully recovered since the war. For many years, that Continent was the only surplus area of the world. At the present time, Europe is the only other Continent having a deficit. The Continents of North America, South America, and Africa all have small surpluses.



INTERNATIONAL TRADE IN RICE

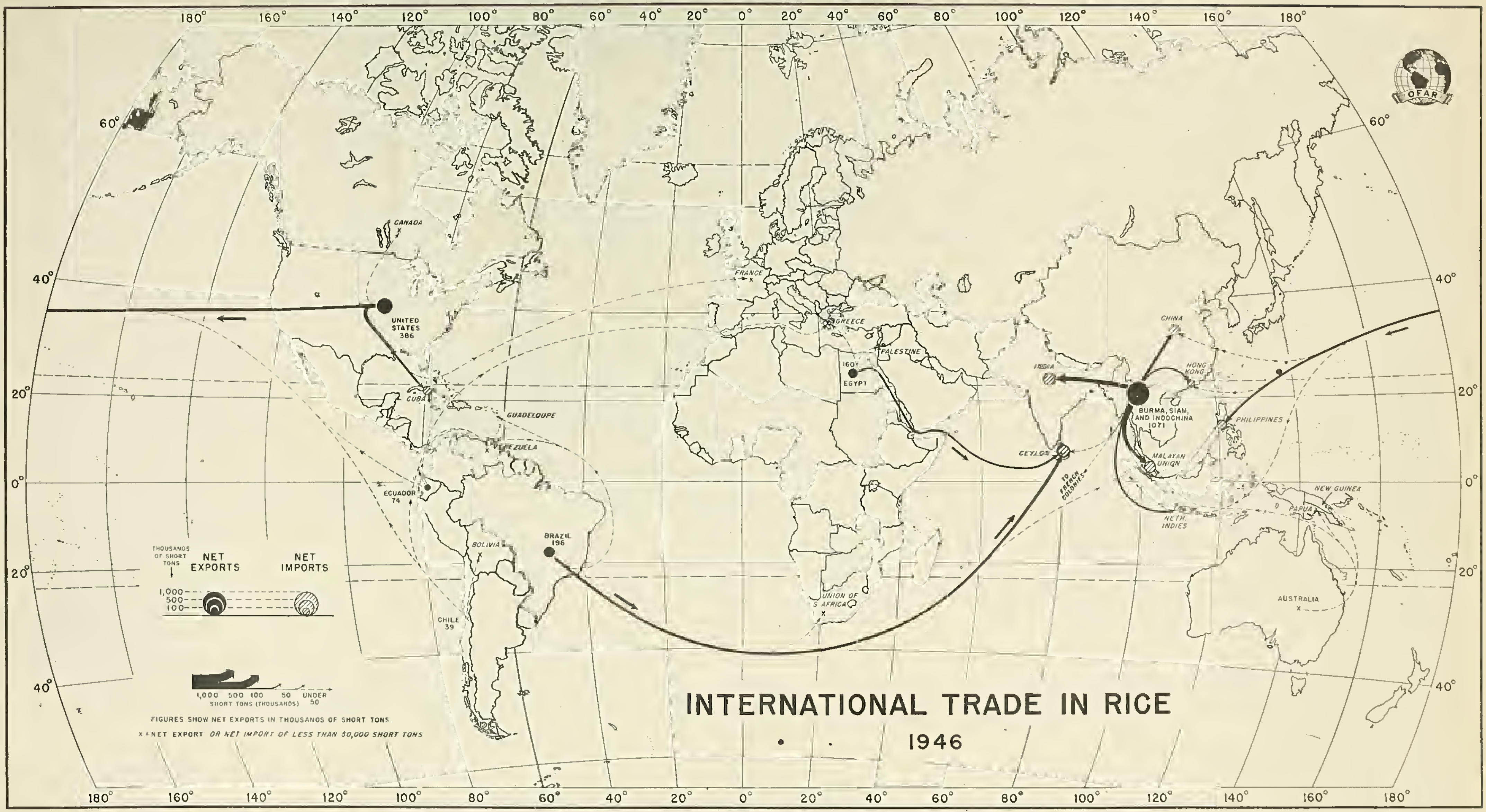
AVERAGE 1936-40

FIGURES SHOW NET EXPORTS OR *NET IMPORTS* IN THOUSANDS OF SHORT TONS

X = NET EXPORT *OR NET IMPORT OF 5,000 TO 50,000 SHORT TONS*

NET IMPORT FIGURES ARE SHOWN ONLY FOR JAPAN, INDIA, AND FRANCE

NET EXPORT FIGURES ARE SHOWN FOR ALL NET EXPORTING COUNTRIES.



INTERNATIONAL TRADE IN RICE

1946

U.S. DEPARTMENT OF AGRICULTURE NEG. 978 OFFICE OF FOREIGN AGRICULTURAL RELATIONS

ROUGH RICE: World acreage, yield per acre, and production, averages 1930-31 to 1939-40, annual 1945-46 to 1947-48 a/

Continent and country	Acreage					Yield per acre		Production				
	Average					Average		Average				
	1930-31 to 1934-35	1935-36 to 1939-40	1945-46	1946-47 b/	1947-48 b/	1935-36 to 1939-40	1947-48 b/	1930-31 to 1934-35	1935-36 to 1939-40	1945-46	1946-47 b/	1947-48 b/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:												
Costa Rica	-	c/ 23	-	-	-	c/ 38.3	-	871	839	967	995	-
El Salvador	22	25	34	-	-	27.7	-	530	693	799	-	1,180
Mexico	84	95	166	155	173	42.2	39.9	3,478	4,007	6,125	6,750	6,900
United States	883	1,004	1,494	1,574	1,677	49.7	47.3	41,572	49,852	68,150	72,216	79,345
Caribbean:												
Cuba	36	45	75	72	70	21.4	30.0	935	965	1,733	1,756	2,100
Dominican Republic d/	45	80	134	124	115	36.3	19.2	1,517	2,905	4,328	2,395	2,205
Trinidad	7	10	22	22	-	30.0	-	180	300	711	844	-
Total	1,190	1,410	2,180	2,260	2,390	-	-	51,100	62,900	88,600	91,600	100,400
Europe:												
Bulgaria	18	19	22	14	-	54.8	-	791	1,041	698	500	-
Italy	360	362	245	301	346	103.9	99.1	34,139	37,620	20,000	26,000	34,300
Portugal	39	50	55	64	65	68.0	64.0	1,740	3,398	2,179	3,500	4,160
Spain	117	110	119	124	127	e/ 124.4	100.0	14,558	10,600	10,290	10,070	12,700
Total (excluding U.S.S.R.)	540	560	470	530	600	-	-	51,500	53,100	34,200	41,000	54,200
U.S.S.R. (Europe and Asia)	328	c/ 384	-	335	-	c/ 42.3	-	10,785	c/ 16,225	-	-	-
Asia:												
Iran	c/ 560	c/ 534	-	580	-	c/ 37.1	-	c/ 22,413	18,577	20,802	22,160	19,970
Iraq	c/ 316	c/ 386	479	-	-	c/ 27.3	-	c/ 7,750	11,176	12,200	13,720	11,760
Turkey	66	78	45	36	-	61.2	-	3,329	4,774	2,387	3,052	3,138
British Malaya	740	746	790	797	875	36.3	28.6	25,333	27,099	18,650	20,460	25,000
Burma	12,770	12,671	6,983	7,788	9,007	27.5	29.9	358,219	348,534	134,455	194,114	269,114
China	c/47,099	c/48,161	46,000	46,476	46,476	c/ 52.5	50.1	2,345,574	2,623,383	2,159,964	2,328,736	2,348,082
Formosa	1,609	1,616	-	1,297	1,450	53.0	50.4	75,340	85,704	40,671	55,109	73,100
Manchuria	472	782	951	400	-	40.6	-	14,923	31,783	39,117	15,000	-
French India	47	47	44	-	-	25.0	-	1,281	1,173	1,132	-	-
French Indochina	13,505	c/14,020	9,800	9,600	9,500	c/ 22.5	22.1	281,497	c/ 316,038	220,000	200,000	210,000
India f/	70,288	72,707	79,885	81,800	80,500	26.2	25.5	1,995,645	1,904,819	1,961,877	2,104,781	2,050,000
Korea	4,112	3,838	g/ 2,584	g/ 2,711	g/2,753	51.0	c/ 46.7	197,500	195,763	g/ 117,321	g/110,112	g/ 128,650
Japan	7,887	7,862	7,800	7,700	7,830	75.8	69.7	557,217	595,845	457,007	561,082	545,447
Netherland Indies h/	9,140	c/ 9,716	7,770	8,640	-	c/ 31.6	-	276,935	c/ 306,930	200,000	250,000	-
Philippine Islands	4,643	4,852	4,346	4,816	5,130	21.6	21.2	105,025	104,877	88,380	107,689	108,858
Siam	7,141	7,088	4,890	4,600	4,800	30.1	29.8	231,402	213,079	120,000	128,000	143,000
Total (Excluding U.S.S.R.)	190,720	196,400	188,300	191,300	192,500	-	-	6,803,400	7,111,700	5,964,200	6,499,400	6,598,000

South America:													
Argentina	25	52	122	117	117	59.8	-	1,054	3,112	7,736	7,863	-
Brazil	2,074	2,323	4,154	4,100	3,900	28.6	28.5	58,970	66,424	135,799	118,000	111,000
British Guiana	78	70	95	101	-	50.8	-	3,445	3,559	5,028	5,349	-
Chile	-	13	119	80	-	99.9	-	18	1,299	5,778	4,274	-
Colombia	c/ 114	-	-	-	-	-	-	c/ 2,508	3,378	6,030	6,150	7,540
Ecuador	-	-	-	-	-	-	-	2,212	3,439	7,691	7,627	-
Paraguay	c/ 4	c/ 10	-	15	-	46.0	-	c/ 175	c/ 460	603	754	-
Peru	126	107	148	135	-	42.8	-	4,551	4,578	8,291	6,448	-
Surinam	c/ 29	37	35	40	-	46.0	-	1,078	1,703	1,724	2,507	1,029
Uruguay	3	13	21	25	29	66.6	-	201	866	1,423	1,723	1,800
Total	2,570	2,940	5,290	5,240	5,080	-	-	74,800	89,500	181,800	162,400	159,400
Africa:												
Belgian Congo	-	c/ 220	-	297	-	c/ 11.2	-	-	c/ 2,475	4,605	4,541	4,409
Egypt	352	463	654	656	805	71.6	76.7	20,876	33,155	42,454	45,973	61,760
French West Africa	1,065	c/ 1,562	2,459	-	-	c/ 13.4	-	18,087	c/ 20,936	29,051	-	-
Madagascar	1,354	1,195	1,430	1,430	1,480	28.3	24.6	34,166	33,823	37,722	34,293	36,350
Sierra Leone	307	340	-	-	-	26.8	-	9,015	9,100	9,308	-	-
Total	3,560	4,190	6,090	6,160	6,360	-	-	88,900	106,000	134,600	136,600	154,300
Oceania:												
Australia	21	23	28	32	28	92.0	-	1,629	2,117	2,553	2,751	-
Fiji Islands	10	10	24	-	-	43.1	-	480	431	1,060	-	-
Total	40	40	80	90	90	-	-	2,200	2,700	4,700	4,900	4,800
Total world	198,900	205,900	202,800	205,900	207,400	-	-	7,083,000	7,442,000	6,419,000	6,950,000	7,086,000

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign-service officers, results of office research, and other information.

a/ Crops harvested in Northern Hemisphere countries during the latter part of the year, together with those harvested in Asia principally from November to May, are combined with crops harvested in Southern Hemisphere countries during the first of the following year.

b/ Preliminary.

c/ Less than 5-year average.

d/ Calendar year prior to 1946-47.

e/ Average 1930-34.

f/ Includes acreage and production in areas regularly reported only comprising about 92 percent of the total rice area of India.

g/ South Korea only. In the 1935-39 period, production in South Korea averaged about 150,000,000 bushels.

h/ Java and Madura only.

The largest increase in export supplies of 1948 over those of 1947 is in the world's prewar exporting region; namely, in Burma and Siam. Availabilities in the Western Hemisphere may not be quite as large as those of 1947. In North America, exports are expected to be slightly less than the unusually large deliveries of 1947. In South America, indications are that drought conditions in the exporting area of Brazil may cause smaller exports from this year's production, but, when including carry-over stocks, exports may be larger than in 1947.

ASIA

The harvest of Asia is estimated at 6,600 million bushels, an increase over the 6,500 million in 1946-47, but 93 percent of the prewar production of 7,100 million bushels. In terms of milled rice, 1947-48 production amounts to 104 million short tons, compared with 102.3 million in 1946-47, and with 112 million before the war.

The 1948 export supplies of Asia's surplus countries are estimated at 2.1 million tons, which is an increase of 700,000 more than in the year before, but is only one-fourth of the prewar average. Of the five countries of Asia which had surpluses of rice before the war, only two, Burma and Siam, are showing recovery as far as potential exports are concerned. French Indochina's trade appears to be stymied by present political difficulties. In Korea, current production is not sufficient to allow rice exports, and if any surplus is available from Formosa, it will be sent to China.

The combined production of Burma, Siam, and French Indochina in 1947-48 is estimated at 620 million bushels, or about 100 million more than that of a year earlier. This is about 71 percent of the prewar average. Given favorable climatic conditions, the acreage and production of 1948-49 probably will show continued recovery toward the prewar average.

Weather conditions favored Burma's 1947-48 rice crop, despite the severe August flood. Much of the crop was replanted, and the yield per acre was above average. According to the fourth official forecast, the sown acreage was 2.6 million acres larger than the wartime low acreage of 1945-46, and production was about double.

In Siam, following unfavorable weather conditions at the outset similar to those which nearly ruined the crop of the year before, late-season weather proved beneficial for the December harvest. The production, therefore, was larger than in the preceding year. The estimated surplus is not quite 40 percent of prewar average exports.

The latest information from French Indochina indicates that production may be slightly larger than last year's crop. The current unofficial estimate is for a crop 66 percent of the prewar average, and slightly less than the prewar domestic consumption. That country formerly was the second largest exporter of rice, exporting nearly 20 percent of the total world trade. The greatest loss in acreage planted occurred in the late war years, when growers were unable to sell their surplus. Political circumstances have been unfavorable for instituting a recovery program.

RICE (Milled): World production and trade 1935-36 to 1939-40, and estimated production and exports, 1947-48 a/

Continent and country	Estimated production		Apparent domestic disappearance	International trade		
	1935-36 to 1939-40	1947-48 b/	Prewar average c/	Prewar average c/ Net imports	Prewar average c/ Net exports	Prospective 1948 Exports
	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons
Western Hemisphere:						
North America:						
United States	729	1,160	622	--	107	385
Mexico	59	100	50	--	9	15
Estimated total ..	920	1,468	1,136	332	116	400
South America:						
Brazil	971	1,506	929	--	42	230
British Guiana	52	d/	35	--	17	25
Ecuador	50	d/	37	--	13	65
Estimated total ..	1,309	2,214	1,330	101	80	325
Est. total W. Hemis..	2,229	3,682	2,466	433	196	725
Europe:						
Italy	550	502	382	--	168	15
Spain	155	186	224	35	--	--
Estimated total ..	777	793	2,042	1,435	170	20
Asia:						
French Indochina ...	e/4,978	3,308	3,368	--	1,610	20
Siam	3,356	2,252	1,896	--	1,460	550
Burma	5,489	4,239	2,182	--	3,307	1,570
China	41,318	36,982	41,729	411	--	--
Manchuria	501	357	586	85	--	--
Japan	9,385	8,591	11,331	1,946	--	--
Korea	3,083	f/ 2,026	2,022	--	1,061	--
Formosa	1,350	1,151	641	--	709	--
Philippine Republic	1,652	1,715	1,717	65	--	--
British Malaya	427	394	1,206	779	--	--
Netherlands Indies g/	6,960	6,200	7,172	212	--	--
India h/	32,500	35,000	34,052	1,552	--	--
Others	1,011	1,785	1,998	1,010	33	--
Estimated total ..	112,010	104,000	109,890	6,060	8,180	2,140
Africa:						
Egypt	522	973	390	--	132	175
Estimated total ..	1,670	2,520	1,874	455	156	175
Estimated world total	117,200	111,100	116,900	8,400	8,700	3,075

Office of Foreign Agricultural Relations, U. S. Department of Agriculture.

a/ For countries of Asia and Africa, rough rice is converted to milled at 70 percent, and for other countries at 65 percent. b/ Preliminary.
c/ 1936-40 average where available. Otherwise, the latest 5 years are included for which figures are available. d/ Unavailable. e/ Less than 5-year average.
f/ South Korea only. g/ Estimate for all Netherlands Indies. h/ Including estimate of production in unreported areas.

In most of the importing countries of Asia, 1947-48 production showed moderate increases, although it was smaller in two deficit countries. In Japan, formerly the world's largest rice importer, the official estimate of production was slightly less than in the preceding year, and was 92 percent of the prewar average. The acreage was larger than in the year before, and fairly good conditions prevailed during the early part of the season. Production equal to the good crop of the year before had been forecast, but typhoon damage in the principal rice area just before harvest resulted in a downward revision of the crop estimate. Whereas, rice imports from Korea, Formosa, and foreign countries before the war average 1,950,000 short tons, quantities now available from other Asiatic countries for Japanese consumption are almost nonexistent.

Official estimates of the crops of India and Pakistan are not available. The output is believed to be less than that of the year before because (1) of some reduction in acreage, and (2) drouth conditions in Southern India, particularly in Madras, which is the second-largest producing Province. Total production in the area which formerly comprised India is about 8 percent above the prewar average. Those nations in 1947 received the largest share of the world's exportable rice supplies. Of Asia's supplies, about 400,000 tons, or 30 percent, were shipped to India and Pakistan.

China's 1947 rice crop is 1 percent more than the preceding year's production, but is 96 percent of the 1931-37 average, according to the fourth official forecast. In terms of edible rice, 1947-48 production equalled 37 million short tons, compared with 36.7 million in 1946, and with 38.6 during the 1931-37 period, which is considered a representative average. During the early 1930's, China not only was the world's largest rice producer, but ranked third in imports. In 1947, that country received about 270,000 tons, or 20 percent of Asia's export supplies.

The production of Manchuria is officially estimated at 22,640,000 bushels, which is 71 percent of prewar production. Before the war Manchuria imported some rice. The 1947-48 production of Formosa was reported larger than that of the preceding year, and was considered sufficient for some export surplus which should be available for China.

The Malayan Union is planting 95,000 more acres to rice than in the preceding year, a gain of 11 percent. Floods destroyed the sown acreage in some places, but a crop substantially above that of last year is expected to be harvested. This acreage is nearly 130,000 acres larger than the prewar rice area, but since much of it is in unirrigated areas, the yield per acre is not as large as those of prewar harvests. Production is expected to be about 22 percent more than in the preceding year, and 92 percent of the prewar outturn. The Malayan Union formerly had heavy imports, and after the wartime drop in availabilities, became hard pressed for that cereal. Imports in 1947 were less than one-third the prewar net imports.

In Ceylon, floods caused a 4-percent loss in the 1947-48 crop. Rice continues to be imported in smaller quantities than before the war. Imports in 1947 also were about one-third of the prewar average. Ceylon formerly imported more than 100,000 tons from India, but imports from that source were cut off when Burman imports became unavailable into India.

The largest outturn since before the war was harvested in the Philippine Republic, despite a 5-percent crop reduction caused by the December typhoons. Although the harvest was 4 million bushels larger than the 1935-39 average, it was 10 million less than average in the two years immediately prior to the war. Import needs are materially less than those of the last two years.

Planting of the main rice crop of the Netherlands Indies is underway, and will be harvested principally in June. The acreage of Java and Madura is expected to be larger than that of last year, which was 89 percent of the prewar average. If normal conditions prevail, it is believed that about five years will be required to rehabilitate the industry and bring that country's crop to its former level. The production of other Netherlands Indies is expected to be about the same as the prewar average.

EUROPE

Favorable weather in Europe's rice-producing countries during the 1947 season resulted in bumper rice harvests. The total production is estimated at 54 million bushels, 32 percent larger than last year's crop of 41 million, and 2 percent more than the prewar average of 53 million bushels. European rice consumption in 1948 is limited to the 1947 crops of producing countries (793,000 tons in terms of milled rice) and import allocations by the I.E.F.C. of 61,000 tons. Of the producing countries, Italy has some supplies that may be exported provided the equivalent in other cereals is imported.

With the exception of the European production of Italy, Spain, Portugal, and a comparatively small crop in Bulgaria, the requirements of the Continent formerly were met by imports. The rice utilization of Europe amounted to more than 2 million tons in terms of milled rice, of which only one-third was supplied by domestic production. In contrast, during 1947, the only rice available for consumption in Europe was the 1946 output of 600,000 tons, which was available in producing countries only.

Net imports of milled rice before the European war (1934-38) averaged 1,300,000 short tons annually. These takings originated primarily in Burma, Siam, and French Indochina. Some European countries, however, were also considered markets for United States and Brazilian rice.

The largest producer of rice in Europe is Italy. The 1947 acreage of that country was 45,000 acres more than in the year before, and the yield per acre was the highest since 1941. Exceptionally favorable weather combined with the availability of more fertilizer supplies than in the preceding year accounted for the good crop. As a result of military operations and lack of fertilizers during the war, production declined to slightly over one-half of the former output, but in 1947 it was 91 percent of the prewar average.

For the first time since the war, some Italian rice is available for export. The amount actually exported depends on the amount of other cereals made available to Italy in exchange for rice. Italy was the only European country that prior to the war exported rice from domestic production. About one-third of the crop was exported, principally to Germany, with some to Switzerland, Hungary, Yugoslavia, Austria, and Rumania.

The 1947 crop of Spain was the largest in several years. Only in one year, 1940, was a larger acreage planted, and the average yield of 100 bushels approached Spain's former high yield per acre. During the height of that country's production before the Civil War, its yield averaged 124 bushels per acre, the highest in the world. At that time, Spain also exported rice, but from 1939 to 1941 imports were necessary. Since 1942, the only exports were relatively small quantities to Spanish African territory.

A near-record crop was harvested in Portugal. The acreage devoted to rice was about the same as the record of 1942. Production was 19 percent larger than that of the year before, and 22 percent above the prewar average.

AFRICA

African production is estimated at 154 million bushels, 18 million larger than the record of the year before, and nearly 50 million more than before the war. The marked rise in 1947-48 was due primarily to Egypt's large crop, and production on other parts of Africa were above the prewar average.

In Egypt, more than 800,000 acres of rice were harvested in 1947. The acreage increased 100,000 over that of the year before, and 340,000 more than before the war. Climatic conditions were exceptionally favorable, water supplies plentiful, and the yield per acre was the highest every harvested. The result was an increase in production of 15 million bushels over that of the preceding year. The quantity exported is contingent on exchange of rice for other cereals, which are in short supply. Because of the shortage of cereals, more rice is being consumed in Egypt than normally, and therefore the export surplus is not expected to be larger than in 1947.

The estimate of Madagascar's production was slightly larger than in the year before. Exports in 1947 amounted to about 1,000 tons, and about the same amount is estimated to be available for export in 1948. That country's largest exports were 20,000 tons in 1944.

WESTERN HEMISPHERE

The forecast of the 1947-48 rice production of the Western Hemisphere is 252 million bushels, 1/ about the same as the 254 million in the preceding year, and 100 million bushels more than production before the war. The gain achieved in the harvests of most producing countries during the wartime expansion of the rice industry generally was maintained, and in some countries, production shows a continued upward trend. Had weather in Brazil been favorable, the total 1947-48 harvest of the Western Hemisphere would have exceeded that of the year before, and might have been another record crop.

Exportable supplies of rice in the Western Hemisphere during 1948 may be slightly less than 1947 exports, because of decreased production in some countries which have rice for export. The exportable surplus in the Hemisphere's countries is estimated at 725,000 short tons, compared with estimated 1947 exports of 752,000 tons. In some nations, the nonshipment of 1947 supplies caused the accumulation of reserves, which were carried over at the beginning of the year and were available for exportation.

In North America, a record production was harvested. The outturn is estimated at 100 million bushels, compared with the previous largest crop the year before, of 92 million, and with prewar output of 63 million bushels. The increase of United States production was the main reason for the gain over last year's harvests.

In the United States, rice acreage was again increased. The area of 1,677,000 acres was 100,000 acres larger than in 1946, and compares with the prewar average of 1,004,000 acres. Good weather benefited the 1947 crop, with the result that an increase of 10 percent over last year's production was harvested. The all-time record of 474,000 tons exported in 1947 was 23 percent above the previous largest exports the year before.

Mexico's production may be about the same, or slightly larger, than in the preceding year. Drought conditions in Sonora, the principal producing State, prevented the planting of all the intended acreage and caused yields per acre to be below average. Rice was exported in 1947 for the first time in five years.

Dry weather again reduced the crop of Dominican Republic. That country in recent years has been an exporter, but the short crop in 1947 resulted in net imports from Ecuador. For the same reason, another rice shortage was expected to develop before the new harvest.

The 1947 Cuban production was slightly larger than that of the preceding year. Of Cuba's rice consumption, about 15 percent is supplied by

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1/ According to information received in the Office of Foreign Agricultural Relations after the compilation of the world rice-production table on pages 4 and 5. The only revision is for Brazil's crop, which was revised downward 8 million bushels.

the domestic crop and 85 percent is imported. That country in the latter part of 1947 for the first time since the war imported sufficient rice to meet demands. Total 1947 imports equalled 345,000 tons, compared with the previous record of 248,000 tons in 1944. Carry-over stocks on January 1 were considered about sufficient to meet consumption requirements until April 1948.

A preliminary estimate of South America's 1947-48 rice crop is about 93 percent of the preceding year's output. The total production is estimated at 151 million bushels,[1] compared with 162 million in 1946-47, and with 90 million before the war. Because of carry-over stocks, however, export supplies may be larger than 1947 exports.

Pre-harvest estimates of rice production in Brazil indicate the 1947-48 crop may not exceed 103 million bushels, compared with the record high of 136 million in 1945-46, and last year's slightly lower outturn. The acreage for harvest is roughly 3,700,000 acres, compared with the 1945-46 preliminary figure of 4,154,000 acres.

Brazilian production was smaller in the three important producing States of Rio Grande do Sul, Sao Paulo, and Minas Gerais. Supplies available for export from Brazil's new crop are reported at 65,000 tons. Of last year's production, however, over 100,000 tons were sold for delivery in 1948, and about 60,000 tons in addition were estimated to be available for export.

Planting of Ecuador's main crop is now in progress and it will be harvested from May to July. That country likewise did not export all of its surplus in 1947, and therefore had carry-over stocks for export in 1948. The Chilean acreage was increased, and the crop is expected to be larger than the production of last year, but less than the record outturn of 1944-45. Production began to increase in 1941, and rice was exported for the first time. By 1945, exports reached 47,000 tons, but poor crops in the two years following resulted in a decline in exports. During the latter part of 1947, rice exports were not permitted.

The production of British Guiana and Surinam is reported to be considerably less than the year before. Export supplies in British Guiana are less than average, and rice is not available for export from Surinam. In Uruguay, the acreage was again increased, and a larger crop than the 1946-47 record is expected to be harvested. Rice is being consumed to a large extent for foods which are in short supply, so therefore the surplus remains small. The acreage of Argentina was about the same as that of last year, and the crop may show an increase. Paraguay's production is also expected to be larger, and a record production was harvested in Colombia.

The only South American countries which normally import rice at the present time are Venezuela, Bolivia and Peru. Peru is placing as much rice under cultivation as possible for harvest from May to July, and so far water supplies have been ample for production of a good crop. Because of a small crop and lack of imports in 1947, a shortage of rice exists in Peru. The production of Bolivia and Venezuela is also below that of last year.

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[1] See footnote, p. 11.

RICE (Milled): Net imports into importing countries of the world, averages 1926-40, annual 1941, 1945 and 1946
(* indicates exports exceed imports)

Continent and country	Average			1941	a/	a/
	1926-1930	1931-1935	1936-1940		1945	1946
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
WESTERN HEMISPHERE:						
North America:						
Canada	21	23	24	24	19	13
Caribbean area:						
British W. Indies:						
Barbados	8	10	10	10	8	—
Jamaica	11	15	21	17	3	7
Trinidad & Tobago	16	19	21	22	15	12
Other Br. W. I.	4	5	7	7	5	—
Total Br. W.I.	39	49	59	56	31	30
Cuba	232	179	222	199	192	165
Curacao	1	1	1	2	2	—
Dominican Rep.	29	14	4	*	*	*
French W. Indies:						
Guadeloupe	6	8	8	4	—	—
Martinique	3	4	3	1	—	—
Haiti b/	5	2	1	c/	*	*
Total Caribbean	315	257	298	262	230	220
Central America:						
Br. Honduras	1	1	1	1	1	1
Costa Rica	5	2	1	1	5	c/
Honduras d/	2	2	1	1	2	*
Nicaragua	1	1	c/	*	2	*
Panama, Rep. of	9	7	4	4	5	4
Pan. Canal Zone	1	1	3	4	5	—
Tot. Cen. America	19	14	10	11	20	11
Total North America e/	355	294	332	297	269	244
South America:						
Argentina	70	44	26	4	*	*
Bolivia	5	2	9	14	12	13
Chile	23	14	12	*	*	*
Colombia	48	16	15	*	*	*
French Guiana	1	1	1	1	1	—
Peru	25	4	22	3	14	4
Uruguay	9	5	*	*	0	—
Venezuela	14	12	16	22	6	—
Tot. So. America e/	195	98	101	44	33	30
Total Western Hemisphere e/	550	392	433	341	302	274
ASIA:						
Aden	3	4	4	4	—	—
Aegean Islands	1	1	2	c/	—	—
Cyprus	2	2	2	3	1	—
Palestine	11	16	20	22	9	—

Continued

RICE (Milled): Net imports into importing countries
of the world, averages 1926-40, annual
1941, 1945 and 1946 - Continued
(* indicates exports exceed imports)

Continent and country	Average 1926-1930	Average 1931-1935	Average 1936-1940	1941	a/ 1945	a/ 1948
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
(ASIA - Cont'd)						
Syria & Lebanon.....	16	20	19	20	11	3
Transjordan.........	--	--	3	4	2	—
Turkey..............	14	4	c/	--	—	--
Tot. Asia Minor f/..	50	50	50	54	25	20
British Borneo:						
Brunei..............	3	3	g/ 2	—	—)	
North Borneo........	20	19	g/ 19	—	--)	15
Sarawak.............	28	25	40	—	—)	
British India h/....	i/	1,705	1,552	801	j/ 33	308
Ceylon..............	535	534	604	612	200	284
China...............	1,106	1,074	411	476	--	196
French India........	--	5	4	--	—	—
Hong Kong...........	--	160	236	155	8	91
Japan k/............	1,554	1,922	1,946	2,331	l/	l/
Macao Islands.......	18	28	g/ 29	—	--	--
Malayan Union.......	607	515	779	609	n/ 108	278
Manchuria...........	--	g/ 51	g/ 85	--	—	--
Netherlands Indies..	651	439	212	--	—	105
Philippines.........	53	10	65	14	n/ 16	129
Portuguese India....	38	47	27	26	9	—
Total Asia Major..	4,776	6,536	6,010	5,187	410	1,416
Total Asia e/....	4,826	6,586	6,060	5,241	435	1,436
EUROPE:						
Albania.............	3	3	g/ 3	--	--	—
Belgium.............	46	56	56	c/	6	—
Czechoslovakia......	55	65	42	1	0	0
Denmark.............	8	10	10	c/	0	0
Eire................	2	3	4	1	c/	—
Estonia.............	3	1	g/ 1	o/	o/	o/
France..............	190	430	604	31	9	5
Germany.............	228	302	223)	89	—	—
Austria.............	30	33	g/ 31)			
Greece..............	29	27	32	14	5	14
Hungary.............	26	30	22	13	0	0
Iceland.............	1	1	1	—	—	—
Latvia..............	5	2	g/ 1	o/	o/	o/
Lithuania...........	3	1	g/ 1	o/	o/	o/
Malta...............	1	1	1	—	1	—
Netherlands.........	86	83	62	c/	—	c/
Norway..............	5	5	5	3	c/	—
Poland..............	67	43	g/ 36	—	—	—
Portugal............	31	32	8	4	5	8
Rumania.............	34	31	23	5	4	0
Spain...............	*	*	g/ 35	14	*	*

Continued

RICE (Milled): Net imports into importing countries
of the world, averages 1926-40, annual
1941, 1945 and 1946 - Continued
(* indicates exports exceed imports)

Continent and country	Average 1926-1930	1931-1935	1936-1940	1941	a/ 1945	a/ 1948
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
(EUROPE - Cont'd)						
Sweden	15	15	16	0	1	c/
Switzerland	21	24	29	11	7	c/
United Kingdom	120	123	149	199	28	9
Yugoslavia	28	23	g/ 24	--	--	--
Total Europe e/	1,075	1,359	1,435	400	66	38
U.S.S.R.	58	41	g/ 46	--	--	--
AFRICA:						
Algeria	6	11	30	9	1	--
Anglo-Egypt. Sudan	2	2	3	4	3	--
Belgian Congo	5	1	*	*	*	--
Br. Cameroons	1	1	2	c/	0	--
Br. Somaliland	8	7	14	--	--	--
Cape Verde Islands	1	1	1	2	1	--
Eritrea	1	1	--	--	--	--
Fr. Cameroons	2	1	3	1	1	--
Fr. Eq. Africa	7	5	3	2	1	--
Fr. Morocco	4	5	12	3	--	--
Fr. Somaliland	2	1	g/ 2	--	--	--
Fr. W. Africa	56	44	90	26	c/	--
Gambia	9	6	6	1	1	--
Gold Coast	12	10	12	2	c/	0
It. Somaliland	4	5	g/ 6	--	--	--
Kenya and Uganda	9	8	12	15	1	--
Liberia	--	c/	g/ 3	--	--	--
Libya	5	2	7	--	--	--
Madagascar	*	8	*	*	*	--
Mauritius	62	64	62	60	5	--
Mozambique	6	8	9	9	*	--
Nigeria	12	8	11	*	--	--
Pr. and S. Tome Isls.	g/ 2	g/ 1	1	1	1	--
Reunion	22	32	34	19	9	--
Seychelles	3	3	g/ 3	--	--	--
Sierra Leone	2	*	1	3	*	--
So. Rhodesia	c/	1	1	c/	--	--
So. W. Africa	1	c/	g/ 1	1	c/	--
Sp. Morocco	--	1	1	--	6	--
Tunisia	2	2	g/ 36	--	--	--
Un. of So. Africa	45	53	70	82	28	--
Zanzibar	20	19	19	13	1	--
Total Africa e/	311	311	455	286	70	70

Continued

RICE (Milled): Net imports into importing countries
of the world, averages 1926-40, annual
1941, 1945 and 1946 - Continued
(* indicates exports exceed imports)

Continent and country	Average 1926-1930	Average 1931-1935	Average 1936-1940	1941	a/ 1945	a/ 1948
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
OCEANIA:						
British Oceania:						
Fiji Islands........	2	1	3	2	1	1
Gilbert and Ellice..	--	1	g/ 1	--	--	--
New Britain.........	6	7	g/ 13	--	--	--
New Zealand.........	4	4	4	5	1	--
Papua...............	g/ 2	2	g/ 3	--	--	--
Solomon Islands.....	2	1	g/ 2	--	--	--
Western Samoa.......	3	1	g/ 1	--	--	--
French Oceania:						
New Caledonia.......	3	2	g/ 4	3	3	--
Other...............	1	1	g/ 2	2	1	--
Japanese Pacific Isls.	--	10	g/ 16	--	--	--
New Hebrides........	--	g/ 1	2	1	--	--
Total Oceania, e/...	34	33	51	41	23	28
World total,......	6,796	8,681	8,434	6,349	916	1,856

Compiled from official sources and International Yearbook of Agriculture.
a/ Preliminary. b/ October-September. c/ Less than 500 tons. d/ July-June.
e/ Net imports into importing countries only, and should not be considered as net imports of the areas or continents. Totals are estimated if data are incomplete. f/ Does not include imports into Arabian countries, as statistics are unavailable. During the 1936-40 period, 65,000 tons were exported from India to that region. g/ Less than 5-year average. h/ April-March, except 1946 which is for calendar year. i/ During this period Burma was part of India, inter-trade is not available, and therefore rice trade is included in Indian net exports. j/ Sea-borne trade only. k/ November-October. l/ Data not available. Imports insignificant, if any. m/ October-December. n/ November-December. o/ Incorporated in U.S.S.R. on August 3, 1940.

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In this report, for countries of Asia and Africa, rough rice is converted to milled at 70 percent, and for other countries at 65 percent. Milled rice trade includes milled, brokens, semi-milled unconverted, and rough rice in terms of milled. Much of the trade in Asia and Europe before the war was in semi-milled rice, which is the equivalent of 70 to 75 percent of rough rice.

Before the war, some rice was imported into every country of the world. To show the principal movement of prewar trade, therefore, the world trade map on p. 2 does not show trade of less than 5,000 tons. For 1946 trade, p. 3, sources of rice are shown for less than 5,000 tons.

RICE (Milled): Net exports from exporting countries of the world, averages 1931-40, annual 1941, 1945 to 1947
(* indicates imports exceed exports)

Continent and country	Average 1931-1935	Average 1936-1940	1941	1945	a/ 1946	a/ 1947 est.
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
WESTERN HEMISPHERE:						
North America:						
Dominican Republic	*	*	4	5	4	*
Mexico	8	9	8	b/	*	10
United States	65	107	219	253	387	474
Total No. America c/	73	116	231	258	391	484
South America:						
Brazil	55	42	14	98	200	200
British Guiana	24	17	10	23	25	22
Chile	*	*	4	47	39	3
Colombia	*	*	*	*	6	0
Ecuador	11	13	23	33	74	33
Surinam	2	6	2	b/	0	8
Uruguay	*	2	1	b/	1	2
Total So. America c/	92	80	54	204	345	268
Total W. Hemisphere	165	196	285	462	736	752
ASIA:						
Iran d/	43	29	31	45	66	63
Iraq	4	7	6	*	2	5
Burma	3,493	3,307	e/ 3,492	109	469	887
Formosa	639	709	314	0	0	0
French Indochina	1,439	1,610	1,034	36	109	47
Korea	1,301	1,061	625	0	0	0
Siam	1,699	1,460	1,214	215	495	423
Total Asia c/	8,618	8,183	6,716	405	1,141	1,425
EUROPE:						
Bulgaria	b/	2	1	b/	--	—
Italy	166	168	120	0	0	0
Spain	35	*	*	f/ 6	f/ 7	f/ 5
Total Europe c/	201	170	121	6	7	5
AFRICA:						
Angola	*	b/	2	3	4	2
Egypt	72	132	69	148	161	217
Madagascar	*	6	9	13	6	1
Portuguese Guiana	4	5	6	4	--	--
Tanganyika	6	10	20	2	--	--
Total Africa c/	82	156	106	170	185	438
Australia	6	13	13	29	g/ 28	19
World total	9,072	8,718	7,241	1,072	2,097	2,639

Compiled from official sources and International Yearbook of Agricultural Statistics.

a/ Preliminary. b/ Less than 500 tons. c/ Net exports from exporting countries only, and should not be considered as net exports of the continents. Totals are estimated if data are incomplete. d/ July 23-July 22 year. e/ January-November. f/ To Spanish African territory. g/ June-July, 1945-46.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FR 2-48 April 30, 1948

Foreign Market Notes -- Rice [1]

J. N. Efferson Reports on the Rice Situation in the Republic of the Philippines, Siam, and Netherlands Indies

Dr. J. N. Efferson is currently in the Far East studying, for the Office of Foreign Agricultural Relations, the rice situation in the producing countries from the viewpoint of competition with United States rice. The following information is taken mostly from Dr. Efferson's preliminary reports:

FAO Conference, Baguio

Dr. Efferson reached the Philippines in time to attend a part of the Food and Agriculture Organization conference on rice held at Baguio, Philippines, March 1 to 13. At Baguio, he met at least one representative of each country on his itinerary in Asia. The opinion of most of the delegates at the conference was that the rice shortage in the Asiatic countries would continue for from three to five years. The current supply position is, however, much better than at any time since the war ended.

Republic of the Philippines

The Philippine rice crop for the 1947-48 season is expected to total about 113,500,000 bushels of rough rice, according to the second official estimate.

Farmers in the Philippines are now (March 21, 1948) receiving the equivalent of about $2.70 to $2.80 per bushel for rough rice. Wholesale prices vary from about $9.50 to $11.00 per hundred pounds for clean or polished rice produced in the Philippines; $10.00 per hundred pounds for Siamese rice; and from $10.50 to $11.25 per hundred for fair quality United States rice. Prices paid by consumers in the retail markets vary from the equivalent of about 8 cents per pound for the lowest quality local rice and mixed, parboiled, and under-milled United States rice to about 10 cents per pound for fair quality Siamese rice and 12 cents per pound for fair quality United States rice of the Rexora variety.

There appears to be a food shortage in the Philippines which is likely to continue for some time. Most specialists estimate that the country is about 85 percent self-sufficient in food production. While the production of food is increasing, the population also is increasing at the rate of about 2.2 percent per year. The country is likely to continue about 15 percent deficient in food production for the next few years in spite of an increased production of rice, corn, and vegetables. Since about 70 percent of the population depends primarily upon rice for food, the indications are that there will be a market in the Philippines for rice produced elsewhere for some time to come.

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[1] Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

Whether United States producers and millers will supply a part of this market depends on the following factors:

(1) Will the United States sell the Philippines the varieties wanted, or will varieties unpopular in the Philippines be dumped onto this market thus lowering the reputation of all United States rice? The Philippine people neither like nor want our short and medium-grain, semiglutinous varieties. In the Philippines any local rice which is sticky or which does not separate freely after cooking is considered unfit for human consumption. Therefore, any other rice which reacts in that way is suspected of being spoiled. Such ideas, based on generations of experience, are not likely to be changed. The people of the Philippines do like, and will buy, our long-grain rices such as Rexora or Nira; but varieties other than these will not sell if anything else is available.

(2) Will the United States mill the type of rice which the Philippine consumers demand? In the Philippines, the social standard of the family is judged by the relative whiteness of the rice which is served on the table. They want and will buy very white, completely milled, highly polished rice; but do not want and will not buy under-milled rice. Some of the rice brought in from the United States in recent years had to be remilled before it would sell at any price. The Philippine consumers do not want converted or parboiled rice. They do not seem to object to a high percentage of broken grains so long as the rice is highly polished.

(3) Will the United States meet the price competition from other countries? We may not have much chance in the low-quality field which accounts for at least one-half of the rice demand in the Philippines. For the other part of the market, however, we do have a chance if we do not complete the process of ruining our reputation by sending short, medium-grain, semiglutinous rice to the Islands, or if we prepare a pack which is highly milled and a little heavy according to United States standards on broken grains so as to hold down the price.

Siam

In Siam, Dr. Efferson discussed rice with Government officials and trade representatives. He visited a rice mill in operation to observe grading and marketing practices; saw the research work underway at the Central Experimental Station; and made a one-day tour of the central plains rice-producing area in Siam.

Exports of white rice from Siam during the 1947-48 season were recently forecast at 550,000 short tons. Current opinion, however, indicates that actual exports may be larger. Although exports last season were officially estimated at about 440,000 short tons, a very large quantity found its way out of Siam through illegal channels. Prewar export levels, which averaged about 1.5 million short tons yearly, are expected by the Siamese to be regained within four to five years.

Rice marketing practices in the country are as follows: Any surplus production on the farms above that needed for home use is usually sold to traveling buyers, who paddle down the canals and streams in sampans which stop at each farm. This year, buyers have been paying farmers the equivalent of between 70 and 85 cents (open market conversion rate) per bushel for rough rice. The buyers transport the rice to the Bangkok area where they sell it to the millers according to grades and prices which are set by the Government. The grades for rough rice are based on the percentage of broken grains in a test sample. There is no variation in grade by variety or type. Most of the rice appeared to be similar to the United States medium- to long-grain types.

The dealers are paid a fixed price for this rough rice by the millers in accordance with a schedule set by the Government. These prices are equivalent to about 75 to 90 cents per bushel, depending upon the grade. The millers, in turn, are required to sell all of their output to the Rice Office of the Ministry of Commerce at prices ranging from the equivalent of $3.10 per hundred pounds for the top grade of whole rice down to about $2.70 per hundred for the low grades of whole rice (35% brokens). The Rice Office adds a flat margin in lieu of an export tax amounting to about $36.00 per short ton and sells to the export buyers. Actually, the Rice Office does not handle the rice. The export buyers contact the mill, obtain the rice, load, and ship it. They pay the Rice Office, and the Rice Office pays the miller. In terms of quality, this rice compares favorably with United States produced rice.

At the official rate of exchange (10 ticals to the dollar as compared with 20 ticals in the open market) exporters are now buying rice in Siam at prices ranging from $8.00 per hundred pounds for the top quality, whole-milled rice to $6.00 per hundred for 35 percent broken kernels. In comparison with rice prices in other parts of the world, including the United States, these prices are low, which explains why there are so many foreign rice-buying agencies in Siam at the present time.

Netherlands Indies

In the Netherlands Indies, Dr. Efferson spent one day in the rice-producing regions in the vicinity of Buitenzorg and Bandoeng where he observed production and marketing practices on farms and visited several rice mills. Rice production in Java and Madura is officially estimated at about 249,000,000 bushels of rough rice in 1947 as compared with an average of about 320,000,000 bushels for the period 1937-41. However, the base for this estimate is not considered reliable because it is derived from wartime Japanese figures of land taxes collected in rice. Based on interviews with Dutch officials, Dr. Efferson estimates that production in 1947 amounted to about 271,000,000 bushels. Prospects for 1948 appear to be even better. Most of the officials estimate the crop to be at least 5 percent better than in 1947, which would mean about 290,000,000 bushels of rough rice for Java and Madura.

The weather has been exceptionally good. Irrigation water is adequate, and harvest in the major areas has started in volume. Also, since the season is a month early, the farmers will have time to plant and harvest a second crop this year on more than the usual acreage. Ordinarily, a second crop is grown on about 10 percent of the land.

Although the Netherlands Indies may become self-sufficient in rice production, there appears to be little chance that the islands will become exporters of rice within the next few years. The population, which decreased during the war, is again increasing. The types and qualities grown are such that Netherlands Indies rice would not compete seriously with United States rice in markets outside of Asia if an export surplus were available. Even if some quality-rice is produced, there does not seem to be a mill in Java that can mill it properly. The Dutch want foreign trade and hope to develop markets in Europe, but it is doubted that this objective can be achieved in the near future due to political uncertainties and the quality of rice now being produced in the Netherlands Indies.

The paddy rice in the Netherlands Indies is not the usual paddy of the Asia area or the rough rice of the United States. It is the complete rice head plus about 15 inches of straw. The rice is cut and threshed by hand on the farm for home consumption or sold to the mills in bundles, unthreshed. In terms of rough rice, the farmers are paid the equivalent of about $1.90 per bushel, and the miller threshes the rice for them. The mill obtains a 50-percent outturn from the paddy, as purchased, or about 64 percent from the rough rice, when threshed. The mills are allowed to sell the rice at prices which average about $9.00 per hundred tons.

Outside of Java and Madura, there are few facts available concerning rice production and trade in the Netherlands Indies. Production in the other islands, which has changed little over a period of years, is estimated at about 98,000,000 bushels annually. Practically all of this rice is consumed locally.

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Foreign Market Notes -- Rice 1/

J. N. Efferson Reports on the Rice Situation in the Malayan Federation and Straits Settlement and in French Indochina

International Meetings

In addition to contacting officials and trade representatives while in Singapore, Dr. Efferson attended two important international rice meetings. These meetings were attended by delegates from Burma, Hong Kong, the Malayan Federation, the Netherlands Indies, Sarawak, Siam, China, India, Indochina, the Republic of the Philippines, Australia, the United States, and by representatives of different British offices and concerns in Southeast Asia.

Based upon the information presented at these meetings, it would appear that the critical rice shortage, or semi-starvation period, in Asia is about to become history. Supplies of rice resulting from increased production in most of the importing countries and larger seasonal shipments from the usual exporting countries, compared with postwar years, are improving the rice situation to a much greater extent than was thought possible a few months ago. This does not mean that a sudden surplus of rice is in prospect, but variations in quality and price will be of increasing importance. This conclusion is based upon the following information:

1. Estimated export supplies for 1948 from Burma were 1,680,000 short tons of rice and rice products, including bran; from Siam 660,000; and from French Indochina about 150,000 short tons. Export supplies in Burma and Siam may exceed these estimates.

2. The Malayan Federation and Sarawak reported that significant increases in domestic rice production are in prospect for 1948.

3. Shipments from Siam and Burma are one month ahead of the I.E.F.C. allocation schedule for 1948. January to June shipments were forecast at about 30 percent above previously planned quantities for the period; but, because first-semester shipments were larger, July-December exports might be less than allocations.

4. There was reluctance on the part of some of the countries to accept their share of the increased shipments. Only the representatives of India and the Malayan Federation stated that they would take all that was offered.

1/ Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

5. Because of the indicated piling up of supplies in the exporting ports of Burma and Siam, these countries suggested that provisions be made so that they could quickly shift a shipment to another country, if the first country did not lift its allotment promptly.

6. Several countries objected to the quality of rice being delivered and requested that provision be made whereby a country could refuse to take the rice if the quality were not up to standard.

Malayan Federation and Singapore

Rice production in the Malayan Federation for the 1947-48 season totaled 27 million bushels as compared with 21 million in 1946-47 and 27 million in 1940-41. This expanded production has been obtained under a Government program which includes a compulsory Food Scheme under which 2 percent of the tillable land of all estates of 100 acres or more must be planted to food crops; Government-guaranteed prices to farmers; and controlled milling. A Government-expansion program includes the building of new irrigation systems, the renting of land and water to farmers at very low rates, the establishment of some mechanized methods of production, and other special privileges to paddy growers.

The Government guarantee to rice growers is the equivalent of about $3.15 (United States currency) per bushel for rough rice. The rice is milled under contract, the mills receiving $2.12 per short ton for this service. This rice is not polished; it is milled and sold as "brown" or unpolished rice in order to increase the yield and maintain higher nutritional standards. It is sold to the consumer under a Government rationing program providing 6-1/2 ounces per capita per day at a price equivalent to about 11 United States cents per pound. Long-time average per-capita consumption in the area was about 12 ounces of rice daily, and the higher income groups are purchasing additional rice on the black market at the equivalent of about 30 cents per pound as compared with prices as high as 50 cents per pound a few months ago.

For many years, only about one-third of the rice consumption of British Malaya has been produced in the country and the other two-thirds has been imported, mostly from Burma and Siam. Although domestic rice production is expanding, the Malayan Federation is likely to continue to be a large importer of rice and will take between 450,000 and 650,000 short tons annually when supplies become available. The actual amount will fluctuate according to business activity in rubber and tin. There are no import duties on rice.

The native population prefers the locally produced rice (of the medium- and short-grain types) but the Chinese population, which accounts for about 45 percent of the total population of 5,900,000, prefers the long-grain, hard types, such as the Siamese rice. There are no standard grades, and all purchases are made on the basis of samples.

Since the per-capita consumption on farms is about 300 pounds annually (with an average of 6 persons per family), about two-thirds of the total production is consumed on farms, and the remainder is sold. This area is a large importer; but, in view of its geographical location between Burma and Siam and the scarcity of dollars, it is doubtful that any rice from the United States can be sold in the country during the next few years.

French Indochina

The rice situation in Indochina appears to depend upon political developments which are impossible to forecast at the present time. Major exports of rice are impossible until internal peace is established, and it will then probably require several years to reestablish mills and transportation systems and build up confidence so that farmers will produce a surplus. At the I.E.F.C. meeting in Singapore, the French Indochina representative stated that about 150,000 short tons of rice may be exported from Indochina during the first six months of 1948; but no attempt was made to estimate exports for the last half of the year. The amount exported in 1948 depends on political conditions within the country. During the first few months of 1948, the native rebels permitted rice to move down the river to Saigon, after collecting a tribute; but, at present, all transportation is blocked and attacks on rice mills have been resumed.

In mid-April, farmers were reported to be receiving the equivalent of about $1.25 (United States) per bushel for rough rice. The price for this rice at the mill in Saigon is the equivalent of about $2.70 per bushel. The wholesale price of white or milled rice is equivalent to about $7.25 per hundred pounds. Retail prices vary from 8 to 10 cents per pound. These computations are at the official exchange rate of 12.55 piasters to the dollar. At the black-market rate of about 40 to the dollar, these prices would all be reduced to about one-third of the figures quoted above. The official exchange rate should be used in determining prices for export rice.

All rice exports are under the control of the French Government. Although the Government does not actually buy or sell rice for export, as is done in Siam, it does impose 3 different taxes on such rice.

Although there are several hundred varieties of rice produced in Indochina, all are put into three general classes: long, white rice; round, white rice (the short- and medium-grain variety); and glutinous rice. Within each class there are four major grades: No. 1, with a tolerance of up to 25 percent broken grains; No. 2, with from 25 to 35 percent broken grains; No. 3, with up to 55 percent broken; and No. 4, which is broken rice. In general, Indochinese grade standards are lower than are those in the United States.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FR-4-48 June 24, 1948

Foreign Market Notes -- Rice [1]

J. N. Efferson Reports on the Rice Situation in Hong Kong and China

Hong Kong

Hong Kong is a British Crown Colony of about 300 square miles, located on a series of islands at the mouth of the Pearl River in South China. It is primarily a port and trading center and, at present, has a population of about 1,800,000. It has only about 20,000 acres of land which are planted to rice. This area produces only enough rice to supply the population for about ten days out of each year, and Hong Kong must therefore depend upon imports for most of its rice supply.

Prewar, Hong Kong imported about 715,000 to 1,100,000 short tons of rice annually, consuming from 160,000 to 175,000 short tons and exporting the remainder to Canton, Shanghai, and Tientsin. This rice trade was based on imports of high-quality rice from Siam and lower quality rice from Burma and French Indochina. These different types of rice were mixed to provide a lower price average grade and sold to the relatively low-priced regions in China. The normal per-capita consumption of rice in Hong Kong, where the population is at least 90 percent Chinese, was from 13 to 14 ounces per day, or about 300 pounds per year. According to the best available estimates, about 200,000 short tons were imported in 1947. Of this, about one-half was from the International Emergency Food Council's allocation, and one-half came in exallocation from French Indochina and Kwangtung Province. There has been a Government ban against rice exports from Hong Kong, and, apparently, no rice has been exported since the end of the war. The indications are that Hong Kong is now consuming about as much rice per capita as was consumed before the war.

Government controlled rations and prices apply to that part of the rice supplies which come in through regular I.E.F.C. allocations. The present ration is 7-1/2 ounces per day. In addition, the authorities are selling the equivalent of 3 ounces per person, per day, through other channels in order to move some surplus stock and to stabilize the price of unrationed rice. Because of a sudden increase in deliveries of rice from Siam in advance of planned shipments, Hong Kong in April 1948 had 55,000 short tons of rice in storage as compared with 11,000 tons in April 1947.

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[1] Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

The rationed rice (7-1/2 ounces per capita per day) is sold at a price equivalent to about 10 cents per pound (United States). The free-market price for unration rice, which recently declined from the 20-cent-per-pound level that prevailed throughout most of 1947, is now equivalent to about 15 cents per pound. The administrators of the rice-rationing program are now having difficulty in getting the people to purchase low-quality lots of rice such as the Siam C-1 and C-3 grades (small broken rice). According to these administrators, such grades make up an average of 20 percent of all shipments from Siam; and they feel that, with the indicated increase in supplies, it may be impossible to get rid of this low-quality rice in the near future without incurring a loss, especially at the prevailing prices.

Recently, some long-grain United States rice appeared on the Hong Kong black market. The rice was originally scheduled for the interior of China, but it was either stolen from the ships or distributed to Chinese who resold it to Hong Kong dealers This rice has been in great demand by the Chinese in Hong Kong because of its long grain, hardness, and very white color. They now call it "glass rice" in the trade, and the demand has raised the price in the black market to the equivalent of about 35 cents (U.S.) per pound. If a few more ships went astray, or a few more thousand tons of good quality rice were distributed in the nearby interior of South China, it is possible that a demand in Hong Kong could be built up for high quality, long-grain rice from the United States. As in the remainder of Asia, however, only a very small part of the population will ever be able to pay the relatively high price for this type of rice.

China

Rice production in China Proper--including the 22 Provinces, but not including Manchuria or Formosa (Taiwan)--- was estimated at 2,348,082,000 bushels of paddy (rough rice) in 1947, as compared with the prewar (1931-37) average of 2,452,710,000 bushels. Most of this decline from prewar production was in glutinous rice. Assuming normal weather conditions and no expansion of civil war activities, total rice production in 1948 should be at least as large as in 1947 and may reach prewar levels.

The rice acreage of China Proper was estimated at 46,696,000 acres in 1947, as compared with 48,853,000 acres for the prewar (1931-37) average. The acreage of non-glutinous rice, which accounts for more than 90 percent of the total rice area, was the same in 1947 as in the prewar period.

In Formosa (Taiwan), it was estimated that 73,120,000 bushels of paddy were harvested in 1947 from 1,666,000 acres, as compared with an average of 78,540,000 bushels from 1,612,000 acres for the prewar (1931-39) years. These figures include both the first and second crops. The first crop is transplanted in March and harvested in June and July, and it accounts for about 45 percent of total production. The second crop is transplanted in July and August and harvested in November, and accounts for about 55 percent of the total. The total rice acreage has increased, but yields per acre in Formosa have been relatively low, due to the shortage of fertilizer which, in prewar years, was brought in from Japan.

In prewar years, China Proper was a deficit rice-producing area and imported an average of 880,000 short tons of cleaned rice annually during the 1931-37 period. Imports in 1947 totaled only 337,000 short tons. Formosa, in prewar years, exported rice at an annual rate of more than 550,000 short tons and the 6 million people on the Island consumed rice at the rate of about 827,000 short tons. At least 440,000 short tons of rice from Formosa were brought into China in 1947. The surplus rice of Formosa has contributed significantly to the solution of the deficit food problem in China Proper, where the population is now estimated at about 450 million as compared to a population of from 415 to 425 million in the prewar period.

Under the program of the China Relief Mission (financed and staffed to a large extent by the United States) a food-rationing program was installed in the five major cities in China. In the three cities where the rationing program was studied--Canton, Nanking, and Shanghai--much of the rice supplied under the program was from the United States. In general, the program appears to be working well. This program is based upon the allocation of 1 tou (17.2 pounds) of rice- or flour-equivalent per person, per month. The price charged the consumer has been set for each month at 95 percent of the open-market price during the last five days of the previous month. Since currency inflation is proceeding at a rapid pace (a U.S. dollar bought $800,000 CN on May 1 and $1,200,000 CN by May 15), the open-market price for rice increased rapidly during the month wh the rationed price remained stable. Thus, there is a great demand for rationed rice toward the end of the month, in spite of the fact that the people do not like the quality of the United States rice which is being distributed under the program. In China at the present time, a comparison of percentage changes in the prices of different commodities shows that rice prices have changed less than have all prices and indicates that the ration program has had an effect on rice-price trends.

A most difficult problem in the rationing program has been that of getting the people in the cities to consume the quality of American rice which is being shipped to China. All of the United States rice which was observed being unloaded from ships, stored in godowns, transported to retail shops, and displayed in the retail stores was unpolished rice, labeled Grades 4, 5, and 6 (mostly 5), or parboiled rice. Because of the large amount of red rice in some of the samples on display, Dr. Efferson was asked on several occasions how we color some of the grains red. The term "American rice" in these cities is becoming closely identified with a poor-quality, greatly variable product.

The Chinese people do not like parboiled rice because of the yellow color which has long been associated with poor quality, spoiled rice. When cooked according to the usual custom in China, parboiled rice becomes a sticky, gluey mass; and the taste and smell is different from any rice the Chinese have ever used. The fact that parboiled rice does not swell up as much when cooked creates the feeling that this rice will not "fill-you-up" as much as the same unit of other rice.

From the long-time viewpoint, there would appear to be little hope of a market for United States rice in China, due to the lack of purchasing power and the shipping distances involved. A larger volume of rice can be supplied to the Chinese under the relief program at a lower cost by using low-quality, unpolished rice; but it would seem that there should be greater uniformity of the rice shipped,so that the population would become familiar with a given quality--thus assuring the use of this rice by the people who need it.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD RICE PRODUCTION AND TRADE INCREASE: STILL BELOW PREWAR

Production Summary

The world rice harvest of 1947-48 (August-July) is estimated at 7,150 million bushels compared with 7,000 million in the preceding year, and with 7,450 million before the war, according to the fourth estimate of the Office of Foreign Agricultural Relations. Production is 2 percent larger than in the year before and 11 percent more than the harvest of two years ago, when production was at its lowest point as a result of the war. Despite the steady improvement, however, production is only 96 percent of the prewar (1935-36/39-40) average.

The world's harvested acreage is estimated to be about 2 percent larger than prewar. The increase is due primarily to acreage expansion in India during the war years. Excluding India, the total area harvested is estimated at 4 percent larger than in the preceding year, but at 2 percent less than the prewar average. The season generally was favorable for rice production. Shortages of fertilizers, however, caused the yields per acre in many countries to be less than prewar.

Production increased on all Continents except in South America and Oceania. The most important gain was in Asia, but production was substantially larger also in Europe, Africa, and North America.

Trade Summary

Estimates of world rice supplies available for export during 1948 show a marked improvement over 1947, and it now appears the trade in rice will be larger than forecast earlier in the season. Despite the gain over 1947, however, total availabilities are not expected to exceed 50 percent of prewar (1936-40) exports.

World export supplies in 1948 are now estimated in the Office of Foreign Agricultural Relations at approximately 4,100,000 short tons, an increase of 38 percent over 1947 exports of 2,960,000 tons, and 94 percent over 1947 trade of 2,100,000 tons. This shows a pronounced gain over 1946, when world rice trade was less than 25 percent of the prewar 8,700,000 tons. Excluding shipments of the prewar Japanese colonies, Korea and Formosa, and postwar shipments of Formosa to China, the rice trade of the other countries of the world is expected to be about 55 percent of the prewar average.

The most important increase in export supplies occurred in Asia's surplus area, Burma, Siam, and French Indochina. Formosa's annual production in 1947 for

ROUGH RICE: Acreage, yield per acre, and production in specified countries, average 1930-31 to 1939-40, annual 1945-46 to 1947-48 a/

Continent and Country	Acreage					Yield per acre		Production				
	Average					Average		Average				
	1930-31 to 1934-35	1935-36 to 1939-40	1945-46	1946-47 b/	1947-48 b/	1935-36 to 1939-40	1947-48 b/	1930-31 to 1934-35	1935-36 to 1939-40	1945-46	1946-47 b/	1947-48 b/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:												
Costa Rica	-	c/ 28	30	33	30	c/ 33.4	31.7	917	c/ 935	1,020	1,120	952
El Salvador	22	26	34	-	-	26.9	-	530	700	799	1,368	-
Mexico	84	95	166	155	-	42.2	-	3,478	4,007	6,125	6,750	-
Panama	35	50	101	105	122	32.0	21.3	960	1,600	2,585	2,709	2,594
United States	883	1,004	1,494	1,574	1,677	49.7	47.3	41,572	49,852	68,150	72,216	79,345
Caribbean:												
Cuba	36	45	75	72	70	21.4	30.0	935	965	1,733	1,756	2,100
Dominican Republic d/	45	80	134	124	115	36.3	29.5	1,517	2,905	4,328	3,684	3,392
Trinidad	7	10	22	22	-	30.0	-	180	300	711	844	-
Total	1,200	1,430	2,210	2,290	2,430	-	-	51,320	63,180	89,500	94,020	101,650
Europe:												
Bulgaria	18	19	22	14	-	54.8	-	791	1,041	698	500	-
Italy	360	362	245	325	348	103.9	98.6	34,139	37,620	20,000	26,000	34,300
Portugal	39	50	55	64	65	68.0	64.0	1,740	3,398	2,179	3,500	4,160
Spain	117	110	119	125	129	e/ 124.4	98.4	14,558	10,600	10,290	10,070	12,700
Total (excluding U.S.S.R.)	540	560	470	560	600	-	-	51,480	53,150	34,200	41,280	54,570
U.S.S.R. (Europe and Asia)	328	c/ 384	-	335	-	c/ 42.3	-	10,785	c/ 16,225	-	-	-
Asia:												
Iran	c/ 560	c/ 534	-	580	-	c/ 37.1	-	c/ 22,413	18,577	20,802	22,160	19,970
Iraq	c/ 316	c/ 386	479	-	-	c/ 27.3	-	c/ 7,750	11,176	12,200	13,720	11,760
Turkey	66	78	45	45	-	61.2	-	3,329	4,774	2,387	2,976	3,060
British Malaya	740	746	790	797	810	36.3	31.1	25,333	27,099	18,650	20,816	27,042
Burma	12,770	12,671	6,983	7,788	9,154	27.5	29.6	358,219	348,534	134,455	194,942	270,547
China	c/ 47,099	c/ 48,161	46,000	46,476	46,696	c/ 52.5	50.3	2,345,574	2,623,383	2,159,964	2,328,736	2,348,082
Formosa	1,609	1,616	1,262	1,435	1,666	53.0	43.1	75,340	85,704	37,925	59,015	71,727
Manchuria	472	782	951	400	-	40.6	-	14,923	31,783	39,117	15,000	-
French India	47	47	44	-	-	25.0	-	1,281	1,173	1,132	-	-
French Indochina	13,505	14,306	9,800	9,750	10,650	22.4	22.1	281,497	319,910	220,000	210,000	235,000
India f/	70,288	72,707	80,733	81,810	80,200	26.2	24.9	1,995,645	1,904,819	1,993,492	2,103,286	2,000,000
Japan	7,887	7,862	7,800	7,700	7,830	75.8	70.8	557,217	595,845	457,007	561,082	554,501
Korea	4,112	3,838	g/ 2,584	g/ 2,711	g/ 2,753	51.0	g/ 46.7	197,500	195,763	g/ 117,321	g/ 110,112	g/ 128,650
Netherlands Indies h/	9,140	9,794	7,770	8,850	9,200	32.0	31.5	276,935	313,144	200,000	270,000	290,000
Philippine Islands	4,643	4,852	4,346	4,816	5,130	21.6	21.2	105,025	104,877	88,380	107,689	108,858
Siam	7,141	7,088	4,890	4,600	5,750	30.1	32.2	231,402	213,079	120,000	135,000	185,000
Total (excluding U.S.S.R.)	190,820	196,900	188,620	192,030	195,260	-	-	6,806,560	7,124,960	5,997,570	6,539,900	6,664,130

South America:												
Argentina	25	52	122	122	128	59.8	48.2	1,054	3,112	7,736	6,849	6,165
Brazil	2,074	2,323	4,154	4,166	3,756	28.6	29.1	58,970	66,424	135,799	132,779	109,250
British Guiana	78	70	95	98	-	50.8	-	3,445	3,559	5,028	4,993	-
Chile	-	13	119	80	70	99.9	62.6	18	1,299	5,778	4,274	4,381
Colombia	c/ 114	-	-	-	-	-	-	c/ 2,508	3,378	6,030	6,150	7,540
Ecuador	-	-	-	-	-	-	-	2,330	3,417	8,098	8,945	7,450
Paraguay	c/ 4	c/ 10	14	12	12	c/ 46.0	-	c/ 175	c/ 460	603	754	-
Peru	126	107	148	130	160	42.8	56.3	4,551	4,578	8,291	6,500	9,000
Surinam	c/ 29	37	35	40	-	46.0	-	1,078	1,703	1,724	2,507	1,886
Uruguay	3	13	21	23	29	66.6	73.9	201	866	1,423	1,723	2,142
Total	2,580	2,960	5,370	5,390	4,980	-	-	74,940	89,440	182,250	177,170	154,890
Africa:												
Belgian Congo	-	c/ 220	-	297	-	c/ 11.2	-	-	c/ 2,475	4,605	4,541	4,409
Egypt	352	463	654	656	805	71.6	77.7	20,876	33,155	42,454	45,971	62,547
French West Africa	1,065	c/ 1,562	2,459	-	-	c/ 13.4	-	18,087	c/ 20,936	29,051	-	-
Sierra Leone	307	340	-	-	-	26.8	-	9,015	9,100	9,308	-	-
Total	1,560	4,210	6,360	6,930	7,060	-	-	87,410	107,850	139,910	146,830	167,300
Oceania:												
Australia	21	23	28	31	27	92.0	99.6	1,629	2,117	2,553	2,780	2,688
Fiji	10	10	24	25	-	43.1	-	480	431	1,060	924	
Total	40	40	80	90	90	-	-	2,200	2,700	4,700	4,800	4,800
Total world	199,100	206,500	203,500	207,600	210,800	-	-	7,085,000	7,458,000	6,459,000	7,016,000	7,162,000

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign-service officers, results of office research, and other information.

a/ Crops harvested in Northern Hemisphere countries during the latter part of the year, together with those harvested in Asia principally from November to May. are combined with crops harvested in Southern Hemisphere countries during the first of the following year.

b/ Preliminary.

c/ Less than 5-year average.

d/ Calendar year prior to 1946-47.

e/ Average 1930-34.

f/ Includes acreage and production in areas regularly reported only comprising about 92 percent of the total rice area of India.

g/ South Korea only. In the 1935-39 period, production in South Korea averaged about 150,000,000 bushels.

h/ Java and Madura only.

the first time since the war permitted a surplus for export. In Africa, the expanded 1947 production of Egypt resulted in a marked increase in the export surplus.

The export supplies of the Western Hemisphere are about 3 percent less than in 1947. United States deliveries may about equal last year's record, and large carry-over supplies in Brazil and Ecuador resulted in only a moderate decrease in the export availabilities of South American countries.

ASIA

The output of Asia is estimated at 6,650 million bushels of rough rice compared with 6,550 million the year before, and with the prewar average of 7,125 million bushels. Production increased in all the important rice-producing countries of Asia except in the Indian Union, Pakistan, and Japan.

Exporting countries

The largest increase in Asia's production occurred in the exporting countries of Burma, Siam, and French Indochina. Weather was favorable, and the crops exceeded early-season expectations. The total harvest of the three countries is now estimated at approximately 700 million bushels, or 28 percent more than in the year before, and 46 percent larger than the production of two years ago. Their combined harvest nevertheless is about 200 million bushels smaller than the prewar average output.

Burma's rice acreage of 9,150,000 acres increased 1,370,000 acres over that of the year before and 2,170,000 acres over the lowest wartime acreage of 1946-47. More than 3,500,000 additional acres, however, need to be planted before that country's rice lands again equal the prewar area. The combined factors of favorable weather and production partly on fields that were idle during the war resulted in above-average yields per acre. The export surplus, therefore, is estimated by the Burmese to be nearly double 1947 exports, and about 50 percent of prewar trade.

Some acreage increase occurred in Siam, and favorable weather for the first time in three seasons resulted in a further gain in production. Accurate estimations of Siam's production in postwar years are difficult to obtain. Allowing the rate of per capita consumption for the present population as before the war, and taking into consideration the amount of legal and smuggled exports in recent years, plus the declared estimates of export supplies from the 1947 crop, 185 million bushels appears to be an acceptable estimate for 1947 production. The estimate is for a harvest substantially larger than that of the two preceding years, when the acreage dropped as a result of the war and the weather was adverse. Estimates of the export surplus from the 1947-48 crop vary from 660,000 to 880,000 short tons, or from 45 to 60 percent of the prewar average.

RICE: World exports[a/] in terms of milled, averages 1931-40, annual 1945-48

Continent and country	Average 1931-1935	Average 1936-1940	1945	1946 b/	1947 b/	1948 prel. est.
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
WESTERN HEMISPHERE:						
North America:						
Mexico................	8	9	c/	c/	10	27
United States.........	65	107	253	387	490	490
Total No. America d/	73	116	258	391	505	525
South America:						
Brazil................	555	42	98	168	273	235
British Guiana........	24	17	23	25	22	20
Chile.................	–	–	47	39	3	0
Ecuador...............	11	13	33	74	68	50
Surinam...............	2	6	c/	0	8	0
Uruguay...............	–	2	c/	1	2	11
Total So. America d/	92	80	204	345	376	315
Total W. Hemisphere.	165	196	462	736	881	840
ASIA:						
Burma.................	3,493	3,268	111	480	887	1,625
French Indo China.....	1,439	1,610	36	109	47	125
Siam..................	1,648	1,460	215	492	423	750
Korea.................	1,301	1,061	0	0	0	0
Formosa...............	639	709	0	0	440	300
Iran e/...............	43	29	45	66	63	60
Total Asia d/.......	8,567	8,144	407	1,149	1,865	2,860
EUROPE:						
Italy.................	166	168	0	0	0	15
Spain.................	35	–	f/ 6	f/ 7	f/ 5	f/ 5
Total Europe d/.....	201	170	6	7	5	20
AFRICA:						
Angola................	–	c/	3	4	2	2
Egypt.................	72	132	148	161	181	315
Madagascar............	–	6	13	6	1	0
Total Africa d/.....	82	156	170	185	190	325
Australia...............	6	13	29	28	19	20
World Total.........	9,021	8,679	1,074	2,105	2,960	4,065

Compiled from official sources, International Yearbook of Agricultural Statistics, and for 1948 based on allocations of International Emergency Food Committee and reports of foreign-service officers.

a/ Net exports, except for 1948 and postwar years where net trade is not yet available. b/ Preliminary. c/ Less than 500 tons. d/ Net exports from exporting countries only and should not be considered as net exports of the continents. e/ July 23-July 22 year. f/ To Spanish African territory.

In French Indochina, weather was generally favorable also for rice production. Available information indicates that a moderate increase may have taken place in acreage, that yields per acre were probably about average, and were higher than in the year before. Estimates of export supplies in that country range from 100,000 to 300,000 short tons. Exports during the first quarter were larger than in the corresponding period of 1947, but the exports of 1948 will depend on political conditions in the country, which have shown little improvement. However, exports probably will exceed the small trade of 1947.

Formosa harvested a record acreage in 1947, and the crop there was the largest since the war, but lack of fertilizers resulted in acre yields and output below prewar. Production for the first time since the war permitted a surplus for export. The volume shipped to China is not definitely known, but shipments of at least 440,000 tons in 1947 have been reported. The yields of the first crop of 1948, representing about 45 percent of the total, are expected to be comparable with the first harvest of 1947, and 300,000 tons is a conservative estimate of 1948 export supplies unless the second crop is considerably less than average.

Importing countries

China's rice crop was about 20 million bushels, or 1 percent larger than the year before, and was 96 percent of the 1931-37 average. Good weather favored Korea's rice crop, but there also shortage of fertilizers lowered the yields per acre.

Lack of rainfall in the Province of Madras was the principal factor in the decrease of the rice crop of the Indian Union. Large harvests in the northern provinces, where production was decreased the year before, offset that decline to some extent and therefore the harvest is only slightly smaller than in the preceding year. Available information indicates the condition of Pakistan's crop was below that of 1946-47, when the crop was very good. More than 1 million acres of 1946-47 rice acreage in that country were replaced by jute.

The crop of Japan was 1 percent less than that of the year before and was 93 percent of the prewar average. Weather conditions were less favorable than in 1946, and shortages of fertilizers were a factor in holding yields per acre below prewar.

The rice acreage of the Philippines and the Malayan Union was increased to above the prewar average, and a pronounced gain occurred in the production of these countries. Weather was favorable also in the Netherlands Indies, and the harvest is estimated at about 7 percent larger than that of 1947, and 93 percent of the prewar average.

EUROPE

European production is estimated at 55 million bushels, 34 percent more than the preceding year's small harvest of 41 million bushels, and 4 percent larger than the prewar average of 53 million bushels. Favorable weather in Italy and Spain, the two major-producing countries, made possible the largest harvest since the war. Portugal also had one of that country's largest crops.

Exceptionally favorable weather combined with the availability of more fertilizer supplies than in the preceding year accounted for a bumper Italian crop in 1947. Exportable supplies from that harvest are estimated between 25,000 and 50,000 tons of milled rice. As of May 1, 1948, however, no exports had been made of the 1947 production, and 1948 exports may be small.

AFRICA

In Africa, the harvest is placed at 167 million bushels compared with 147 million a year earlier, and with 108 million bushels before the war. The sharp rise in Egypt's output was the principal reason for the pronounced gain in 1947-48 production.

Rice cultivation in many African countries was expanded as a result of wartime shortages of rice. In several countries further gains occurred in the acreage and production in 1947-48. The crop in Madagascar is believed to be about average.

The expanded 1947 production of Egypt resulted in a sharp increase in export supplies. Because of other cereal shortages, part of the rice surplus has been substituted for wheat in milling flour. The remaining quantity, however, is considered ample for record exports.

WESTERN HEMISPHERE

The total harvest of the Western Hemisphere countries is estimated at 257 million bushels, or 5 percent less than the production of 271 million bushels a year earlier, but 69 percent larger than the 152-million-bushel average prewar production. The decrease in 1947-48 was caused by a drop in production in the countries of South America. The North American harvest showed a substantial gain above that of the year before.

North America's production, estimated at 102 million bushels, was up 8 million bushels over that of the year before and about 40 million bushels over prewar average output. The increase over 1946-47 was due principally to another record harvest in the United States. Production also was larger in Mexico, Cuba, Nicaragua, El Salvador, and Guatemala. Drought conditions reduced the harvest of the Dominican Republic, and the crops of Panama and Costa Rica were less than in the year before.

United States exports in 1948 may about equal last year's record, provided the yields in the next crop are up to average. Mexico's exports are expected to approximate the previous record of 26,000 tons in 1942. Because of the reduced harvest of the Dominican Republic, exports in 1948 are not possible. A small surplus, however, is being exported from Haiti.

Production in South America is estimated at 155 million bushels, 22 million less than in the preceding year, but 66 million bushels larger than prewar output. Although the harvest was 12 percent below that of the year before, large carry-over supplies in the principal exporting countries resulted in only a moderate reduction in the export availabilities of South American countries in 1948.

The largest decrease in production occurred in Brazil, where the crop was only 82 percent of the previous year's outturn. Plantings were reduced because of failure to export the previous crop at satisfactory prices, and unfavorable weather at the outset of the planting period prevented some acreage from being sown.

The carry-over of above-average rice stocks at the beginning of the year made possible the continued shipment of substantial amounts from Brazil in 1948. Exportable supplies therefore, including new-crop rice, are estimated between 225,000 and 270,000 short tons, compared with the record of 273,000 tons in 1947. Brazilian trade with foreign countries will be primarily from the State of Rio Grande do Sul, where 1948 production was down about 15 percent. In the past two years, Sao Paulo has exported sizable quantities of rice, but in 1948 that State may require supplies from Rio Grande do Sul to meet the local needs.

Of the other exporting countries of South America, only in Uruguay are availabilities larger than in 1947. In that country, the acreage was again increased and another record crop was harvested.

The acreage of Ecuador was less than in the year before, and lack of rainfall further reduced the harvest. As a result, 1948 exports are expected to be from 75 to 95 percent of last year's exports of 68,000 tons. Dry weather in British Guiana decreased 1947 production somewhat, and therefore export supplies from there during 1948 are estimated to be slightly less.

Similarly, shortage of water supplies in Surinam caused a serious reduction of the crop, which eliminated exports during 1948. The acreage planted in Chile was slightly less than 1946-47, but good weather during the latter part of the season caused a slight increase in the harvested yields per acre. Exports from that country during 1948 are doubtful.

In the importing countries, Peru planted one of that country's largest rice acreages, rainfall has been more plentiful than in the year before, and a record production is expected. Production also was larger in Colombia and Paraguay. The output of Venezuela, however, was less than in the preceding year.

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WASHINGTON, D.C.

FR-6-48 July 15, 1948

FOREIGN MARKET NOTES -- RICE [1]

J. N. Efferson Reports on the Rice Situation in Japan and Korea

Japan

The 1947 rice crop in Japan was estimated at 555,000,000 bushels (basis rough rice) from 7.7 million acres, as compared with an average of 570,000,000 bushels from 7.8 million acres for the period 1931-40. Estimates of probable rice production in Japan, based on expansion programs in progress and estimated availability of fertilizers and other facilities, vary from 555,000,000 bushels in 1948 up to 573,000,000 bushels by 1951.

About 97 percent of the rice acreage in Japan is irrigated and 3 percent is dry-land, upland rice. Most of the crop is seeded in small nurseries in April and May, transplanted by hand during June and July, and harvested throughout September and October. There are about 200 major varieties of rice produced in different parts of Japan and an additional 800 varieties which are of minor importance in local areas. Practically all of these varieties are of the short-grain type, similar to our California Pearl or Southern Pearl varieties. The Japanese stick to the short-grain types because of the higher yield obtained and the relatively short growing season required, which permits the production of rice in areas with a climate similar to that of our States bordering the Great Lakes and the practice of double-cropping in regions where the climate is less severe.

The rice is hulled immediately after harvest in the rural areas where produced and is stored as hulled or brown rice rather than as rough or milled rice. The Japanese prefer that the rice be polished just before it is consumed. Because of that fact, the rice-milling industry of Japan has been developed as a large number of small-capacity mills located near consumer areas which, in many cases, are operated in connection with the retail outlet. Most of the rice-polishing mills have a capacity of from 1 to 3 tons of brown rice per day and are clean and efficiently operated. Before the war, most of the rice was consumed as polished rice. With the postwar food shortage, only about 50 percent of the rice is polished.

A system of rice grading is directed by the Ministry of Agriculture and Forestry through an inspection bureau charged with planning the inspection of rice, the establishment of standards of grading, and the guidance and supervision of inspections carried on by the prefectural food offices. At the beginning of each harvesting season, a rice-grading conference is held at which time samples of the current crop are examined and grading standards set for that year's crop. In deciding these grades, the moisture content, weight per unit of volume, and impurities are the basic factors considered. Variations by regions are taken into account. No commercial grades are established for rough rice, since the crop is hulled in the rural areas and sold by the farmer as hulled rice. Four different commercial grades of hulled rice are established: number 1, number 2, number 3, and undergrade.

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[1] Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

Japan has been a heavy consumer of rice for many years. Prewar, the per-capita consumption was in excess of 300 pounds per year. The Japanese prefer the short-grain, semi-glutinous varieties of rice to the long-grain, hard varieties which bring a price premium throughout most of the rest of the world.

Historically, Japan has been an importer of food. In the past, imports of rice amounted to about 110,000,000 bushels (basis rough rice), annually. Before and during the war, Korea and Taiwan (Formosa) provided most of this deficit. Other important food imports were sugar from Taiwan and soybeans from Manchuria. For the next few years, at least, it probably will be impossible for Japan to obtain food imports from these countries. Land resources in Japan are now being utilized to a maximum,and, although improvements in production and distribution now being instituted will bring about some increase in output, this gain is likely to be offset by an increase in population. For these reasons, it is likely that shipment of food from the United States to Japan will continue for some years.

The population of Japan is now about 79,000,000 people and is increasing at a rate of about 1,000,000 a year. On the basis of the average daily caloric intake of the Japanese people before the war, the net food requirement for human consumption during the next five years is estimated to be about 20.9 million short tons per year in terms of brown-rice equivalents. The total food production of Japan is at a level of about 16.5 million short tons. Even at the present level of consumption, which is about 85 percent of prewar, there still will be an import requirement of about 2.4 million short tons (in brown-rice equivalents) a year in the 1948-50 period. This would appear to be the absolute minimum needed to maintain the population.

The Japanese have been forced to change their diet somewhat as a result of the war. In June of this year, the people of Tokyo, for instance, are receiving a 10-day ration of rice, a 5-day ration of sugar, a 2- or 3-day ration of dried prunes, and some wheat flour and other miscellaneous food. This forced change in food habits may affect the future diet, since some of the younger Japanese are expressing a desire for more "good American flour or wheat." For the most part, however, the people prefer rice of the short-grain type, if they can get it. Since there is little chance that Japan will ever become self-sufficient in food production, that country might possibly be a good long-time market for United States short-grain rice. Many Japanese, when interviewed on this subject, indicated a preference for the short-grain rice, provided prices were in line. The Japanese stated that, if they could get short-grain United States rice delivered in Japan at the same price as Siam long-grain rice, they would much prefer the

United States short-grain rice and might pay a little premium for it. On the other hand, they stated that, if the price level of all types of rice were such that the price of brown or hulled rice were more than 20 percent higher than the price of wheat, they would buy wheat in place of any type of rice.

Korea

The 1947 rice crop in South Korea (United States zone) was estimated at 132,000,000 bushels (rough rice) from 2.8 million acres. Acreage and production of rice in 1947 were about the same as the prewar averages.

Practically all of the rice produced in Korea is of the irrigated type. It is seeded in the nursery beds from May 1 to June 10, transplanted to the fields from June 1 to July 20, and harvested in September and October. As in Japan, the varieties grown are mostly short-grain and semi-glutinous and are similar to the California Pearl or Southern Pearl varieties.

The rice is harvested by hand, threshed on the farm by hand or with a small foot-pedal threshing machine, and hulled on the farm or in the nearby village. Rough rice is divided into three grades: first, second, and out-of-grade. There are only two grades for polished rice: first and out-of-grade. The farmers are required to sell all production over computed family needs to the Government at officially controlled prices. As the official price is only about 1/5 of the free-market price, the tendency is for farmers to underestimate their production so as to restrict deliveries to the Government as much as possible.

In contrast with the prewar period when Korea exported an estimated annual average of 660,000 short tons of brown rice, South Korea, in 1947, imported 440,000 short tons of food (in terms of brown-rice equivalents) to supplement the domestic production. It is estimated that 250,000 tons of imported food will be needed during the 1948-49 fiscal year (July to June). South Korea is not expected to become self-sufficient in food production for a few years.

In all Korea there are about 25,000,000 people. The population of South Korea has increased from 16.3 million in 1946 to 20.9 million in March 1948. This unusual increase is the result of the repatriation of more than 1,000,000 Koreans, the influx of about 1,000,000 from the northern (Russian) zone, and a natural increase of about 2 percent per year.

South Korea is the agricultural area, while North Korea is the industrial part of the country. Prewar, South Korea obtained fertilizers from North Korea and from Japan and was able to obtain high rice yields. Rice consumption within Korea was held to relatively low levels by the substitution of imported foods--mostly millet and soybeans from Manchuria--for a part of the rice which was exported to Japan. Since the end of the war, the division of the country into the United States and Russian zones, with no commerce between the two and the reduction of fertilizer imports from Japan and food imports from Manchuria, together with the very unusual increase in the population, have brought about an entirely new situation in South Korea.

About 440,000 short tons of fertilizer, mostly in the form of ammonium nitrate, have been imported into Korea during the past two years. This fertilizer has been supplied by the United States and, with its use plus the distribution of other incentive goods to farmers and certain reforms in production and marketing, rice production in South Korea has returned to the prewar level. Despite this fact, however, South Korea is not likely to become self-sufficient in food production before 1952, and it may not do so then unless the presently divided country is united or the United States continues the high level of subsidized fertilizer exports to Korea.

Along with Japan, South Korea might be an outlet for short-grain rice from the United States. As with other Asiatic countries, however, both Japan and Kore are likely to buy rice primarily on a price basis. United States rice, therefore will have to meet competition from the surplus rice-producing areas in southeast Asia.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FR-7-48 August 12, 1948

FOREIGN MARKET NOTES--RICE

J. N. Efferson Reports on the Rice Situation in Burma, India, and Pakistan [1]

Burma

The most recent official estimate of the 1947-48 rice crop in Burma, which was harvested in December 1947 and January 1948, is 270,547,000 bushels (rough rice). This compares with a prewar average production of about 348,000,000 bushels of rough rice. The acreage in 1947 was estimated at 9.2 million acres, as compared with 12.0 million acres prewar.

Of the 1947-48 production, about 1.6 to 1.8 million short tons of cleaned or milled rice and rice products are expected to be available for export, as compared with a prewar average export of about 3.4 million short tons. The Burman Government planners have established targets for the next 4 years as follows: 10.0 million acres and an exportable surplus of 2.4 million tons from the 1948-49 crop; 10.7 million acres and an exportable surplus of 2.7 million short tons from the 1949-50 crop; 11.5 million acres and an exportable surplus of 3.3 million short tons from the 1950-51 crop; and 12.0 million acres and an exportable surplus of 3.6 million short tons of milled rice and rice products from the 1951-52 crop.

Based on purely economic considerations, an exportable surplus of 2.5 to 2.8 million short tons is estimated to be possible from the 1948-49 crop which is now (June 1948) being planted. However, some of the people interviewed expressed the opinion that, due to political unrest and other considerations, the exportable surplus from the 1948-49 crop would not exceed exports from the 1947-48 crop, which they estimated at about 1.6 million short tons. If the Government is stabilized, peaceful conditions established and maintained in the production areas, and the producers are given a reasonable share of the gross returns, the exportable surplus is likely to reach prewar volume within two or three years. If the present unrest continues, however, this goal may not be reached.

The State Agricultural Marketing Board is the only official exporter of rice in Burma. All rice purchased for export is bought "ex-hopper" at the mill. The Board pays for the sacks and for services such as sewing, loading, handling, storing, testing and weighing, loading into lighters and cargo boats, and towing out to the ships. Of total exports to date in 1948, about 25 percent was purchased directly by the Board and the remaining 75 percent was bought from certain designated rice-handling agencies on a contract basis under which they received a commission amounting to the equivalent of about $1.09 per short ton.

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[1] Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

At the official exchange rate, the usual price paid to farmers for rough rice is about 80 cents per bushel, or $2.90 per barrel. The Marketing Board pays the equivalent of about 90 cents per bushel at the port. There are three classifications of milled rice: (1) "Sughandi," which is long-grained, translucent, and milled to 38 to 42 percent brokens; (2) "Small mills specials," which is short- to medium-grain rice and contains 38 to 42 percent brokens; and (3) broken rice. From 70 to 80 percent of the Burma exports are of the classification "small mills specials" rice. For this grade, the Board pays the equivalent of about $3.25 per hundred pounds and, for broken rice, $1.45 per hundred pounds. All export prices are on an f.a.s. basis.

Upon receipt of the milled rice or rice products, the Board sells it at fixed prices to exporters in accordance with allocations of the International Emergency Food Council. These prices are now (end of June) the equivalent of about $7.20 per hundred pounds for "Sughandi," $6.84 per hundred for "small mills specials," and $4.32 per hundred for broken rice. The price for rough rice is $4.32 per 100 pounds; for white rice bran, $1.98; and for bran produced from parboiled rice, $1.61 per hundred pounds.

Although the quotations for Burma's rice appear to be lower than for Siam rice, when grade and quality are considered, the prices are about the same. The apparent price differential results from the different methods of marketing and from differences in grading. Burman prices are based on the sales of only 3 types. The Siam price list includes 6 grades of white, whole rice; 5 grades of glutinous, whole rice; 7 grades of white, broken rice; and 4 grades of glutinous, broken rice.

The rices from the two countries are not the same and would not be comparable if they were graded in exactly the same way. Siam rice is mostly of the hard, long-grain, translucent type, while the Burma rice is mostly short- or medium-grain of the semi-glutinous type. Burman "small mills specials" is slightly higher milled than Siam No. 2, and it has a somewhat better appearance when freshly milled. Markets in India, Japan, and Korea reflect the preference in these countries for the Burman rice. In other markets such as China, Malaya, and Hong Kong, the greater demand is for the hard, long-grain rice (excepting brokens) of Siam.

Burma makes only one grade (the 38 to 42 percent brokens "small mills specials") available to most exporters. The problem of selling low-grade, broken rice is thus avoided by offering one uniform grade. In areas where the supply is short and rice is rationed, the distribution of one grade causes fewer complaints from consumers than is the case when graded rice is offered.

Higher quality rice can be obtained in Siam where intensive grading is practiced; but, as Siam now requires exporters to take the low grades and the brokens, some difficulty in distribution arises in the importing countries. The Siamese policy of producing special grades to build up a permanent demand for high-quality rice may prove beneficial in securing preferential markets.

The present Burman policy is unlikely to result in the offering of high-quality rice in competition with United States rice in European and Latin American markets; but the better grades of Siam's rice are as good as much of the rice produced in the United States.

India and Pakistan

The 1947-48 rice crop in the present state of India is estimated at 1,383 million bushels (rough rice) from 60-million acres, as compared with the averages for the 3-year prewar period, 1936-37 through 1938-39, of 1,427 million bushels from 55 million acres. In Pakistan, the 1947-48 crop is estimated at 560 million bushels from 20 million acres, as compared with the average for the 3 prewar years of 546 million bushels from 18.7 million acres. India and Pakistan, together, lead the world in rice acreage, but they are second to China in total production. The average yield in India is low, amounting to about 27 bushels or 8 barrels of rough rice per acre.

Of the 7,000 known varieties of rice, more than 4,000 are grown in India and Pakistan. These varieties vary widely in color, translucency, polish, fragrance or aroma, size and shape of grain, cooking quality, adaptability to different climatic conditions, soil requirements, and in many other ways. Although the many varieties offer a very interesting subject for study, they interfere with the orderly marketing of rice. In general, domestic consumers prefer the long-grain, hard, translucent types, especially if these have certain aromas which are highly desired. Some areas want red rice, others like the black type best, and in some regions the short-grain, chalky types are preferred. Of the total production of rice, about 13 percent is of the long-grain type, including the aromatic varieties; 32 percent is medium-grained; and 55 percent is short-grained. The short- and medium-grain types are likely to continue to predominate in India, because average yields are generally 15 to 60 percent higher than from the long-grain, aromatic varieties.

During the prewar years, about 70 percent of the total production of rice in India and Pakistan was hand-pounded or hand-milled, either with or without parboiling, by the use of hand mortar and pestle or similar devices operated with the feet, and only 30 percent was machine-milled. These appears to be no definite trend away from hand-milling.

Of India's rice production, about 60 percent is retained in villages and local areas for home consumption and about 40 percent is marketed through commercial channels. The per-capita consumption of rice amounted to about 180 pounds per year but varied from 28 pounds in the Punjab to 344 pounds in Bengal in prewar years.

In prewar India, about 57 percent of the rice was consumed as parboiled, milled rice and 43 percent as raw, milled rice. About two-thirds of the milled, parboiled rice was parboiled in the households of the producers and consumers in local villages. There appears to be no change in this practice since the war.

Commercial parboiling is relatively new but, in India, domestic parboiling is almost as old as are the ordinary methods of preparing rice. A common method of parboiling rice in the homes is to boil the rough rice in open containers until the grains begin to swell, spread the rice in the sun or on a floor to dry, and then mill by hand. In some areas, the rough rice is boiled for a few minutes, soaked in cold water for 24 to 36 hours, and again boiled for a few minutes. The object is apparently to obtain the higher milling yields, lower breakage, and better keeping qualities after the rice is cooked. This process may explain why the Indians have lived on a strictly rice diet with so little disturbance from vitamin deficiencies.

Because of the many varieties of rice and the different methods of preparation in India and Pakistan, as well as the absence of any uniformity in grading, the bulk of the internal rice trade for both rough and milled rice is conducted on the basis of samples. Rough rice and hand-milled rice are usually sold by the producer to a buyer or middleman in the village--frequently in barter transactions. The local buyer accumulates a volume for sale to a traveling buyer or agent. Usually, the rice goes through several hands before reaching the consumer. It is almost impossible, because of the great number of varieties and lack of uniformity of the product, to estimate an average price for rice in India and Pakistan. The price varies according to the season, variety, aroma, age, and other factors such as whether machine- or hand-pounded, or raw or parboiled. Old (stored) rice, or milled rice produced from rough rice which has been stored for a year or longer usually sells for a higher price than the fresh product from the current crop. For 1 year's storage, a premium varying from 5 to 20 percent is obtained. The reason given for this preference for old-crop rice is the same as that given in Japan for the preference for fresh, milled rice from the new crop: "The taste is better."

Wholesale prices of milled rice in the different provinces of India varied from 12 rupees to 45 rupees per maund of 82.28 pounds. The average would be approximately the equivalent of 8 to 9 cents per pound. In Calcutta, the largest rice market in India, the retail price for milled, short-grain rice was equivalent to about 6.6 cents per pound for rice sold under rationed allotments and about 7.3 cents for rice sold on the open market. Although all food grains were rationed in most provinces during 1947, the current program is one of gradual decontrol, and rationing in June 1948 was effective only in the larger cities.

For rice sold at retail for from 18 to 24 rupees per maund, the producer received about 8 rupees per maund of rough rice and about 12 rupees per maund of hand-pounded, milled rice. The farm price amounted to the equivalent of about $1.25 per bushel or $4.50 per barrel of rough rice.

Although India (including Pakistan) is second only to China in rice production, India has been a large importer of rice. During the 1935-40 period, India imported an average of about 2.0 million short tons annually, of which about 90 percent came from Burma. In this same period, India exported nearly 300,000 short tons, leaving an annual net-import requirement of about 1.7 million short tons. During the first 6 months of 1948, India (excluding Pakistan) imported about 670,000 short tons of rice. The Government of India plans to limit imports for the year to about 1.0 million short tons.

The Government in the present State of India, under its 5-year plan, proposes to expand food-grain production by 10 percent during that period. Although progress is being made, it is doubted that this 10-percent increase will be reached in less than 10 years, and by that time India is expected to have about 40 million more people to feed. It would appear, therefore, that the import deficit will continue at about the present level. This means that India will continue to be an important factor in world rice trade but probably will import no more rice than in prewar years. Imports may be less than prewar if prices continue at present levels, if India's foreign exchange situation worsens, or if she should have several good crop seasons. Pakistan is likely to be self-sufficient in rice production soon.

Insofar as United States rice producers and millers are concerned, Indian rice is not likely to compete directly with United States rice in the world market. Indirectly, however, trends in the production of rice in India will have an important bearing on United States rice markets in foreign areas. If India does not expand rice production in proportion to the rate of her population increase and if she has the foreign exchange with which to purchase rice from Burma and Siam, there will be less rice for export from those two countries to other world markets--especially in Europe and Latin America. On the other hand, if India reduces rice imports significantly, as the result of more rapid expansion of production or for other reasons, then the United States can expect increasing competition on Latin American and European rice markets from Burma and Siam. Based on present indications, India is not likely to buy any more rice from Burma and Siam than they imported prewar. Thus, this competition in Latin American and European markets from Burma and Siam may come sooner than some expect--possibly within 2 or 3 years, depending upon weather conditions and other factors in India.

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WASHINGTON, D.C.

FR 8-48 August 16, 1948

ECUADOR DECREASES RICE PRODUCTION

The Ecuadoran rice harvest of 1948 is expected to be about 30 percent less than in the year before. Of the total production, now unofficially forecast by the trade at 6,200,000 bushels (180 million pounds milled), the first and second crops are estimated at 4,750,000 and 1,450,000 bushels (140 and 40 million pounds), respectively. The output in 1947 equalled 8,945,000 bushels (260 million pounds).

A sizable reduction occurred in the acreage planted to the first crop,--the harvest of which is now being completed, and dry weather adversely affected the outturn. Due to the inability to sell at desired prices and the resulting accumulation of surpluses, farmers have reduced the acreage of the second crop which will be harvested in October.

The record harvest in the preceding year resulted in export supplies above-average during the latter part of 1947. At the same time, the export price of rice dropped to a level lower than that anticipated during the planting season. Relatively large stocks, therefore, were carried over at the beginning of 1948.

Although exports during the first half of 1948 were heavier than in the same months of the year before as a result of plentiful supplies on hand, they were not so large as the quantity available for export. About 70 percent of the exports, totalling 34 million pounds, were shipped to Cuba. The next most important market was Peru.

ECUADOR: Rice exports by country, January-June 1948, with comparisons

Country of destination	Average 1937-1941	1945	1946	1947 a/	January-June a/ 1947	January-June a/ 1948
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Cuba	2	55	46	12	0	24
Peru	13	0	0	0	0	5
Venezuela	6	4	17	49	17	b/
Colombia	4	b/	2	13	2	2
Panama	2	b/	5	4	0	1
Jamaica	0	0	16	7	b/	0
Philippines	0	0	20	0	0	0
India	0	0	0	38	0	0
Others	4	6	c/ 24	14	3	2
Total	31	65	130	137	22	34

a/ Preliminary. b/ Less than 500,000 pounds.
c/ Includes 6 million pounds to Mexico, and 5 million to Greece.

Compiled from official sources.

Because of the slow movement of the export crop, supplies on hand are reported to be piling up in warehouses. On June 30, with the harvest of the most important crop about one-half completed, stocks were estimated at 125 million pounds. If the volume now forecast for the October crop is harvested, it will yield around 40 million pounds. Annual domestic consumption is estimated by Ecuadoran authorities to be around 70 million pounds.

ECUADOR: Rice production and exports, average 1937-41, annual 1942-48

Year	Production		Exports	Production
	Rough	Milled		Minus exports
	1,000 bushels	Million pounds	Million pounds	Million pounds
Average:				
1937-41	3,665	107	31	76
1942	6,021	176	85	91
1943	8,010	234	105	129
1944	6,397	187	142	45
1945	4,820	141	65	76
1946	8,098	237	130	107
1947	8,945	262	137	125
1948 a/	6,206	182	-	-

a/ Preliminary and unofficial forecast.

Compiled from official sources, except as noted.

A government decree published on June 10, 1948, declared that rice could be exported freely from that date. It further provided that anyone legally empowered to export must register the transaction with the government Rice Control, and sell, through that agency, an amount equal to 30 percent of the amount exported, to the Direccion de Subsistencias, the government agency entrusted with the internal distribution of rice. The exporter must also present to the Rice Control an irrevocable credit letter for the transaction, or a certificate that shipping space has been contracted, as proof that the exportation will actually take place.

Prices for rice delivered to the Direccion de Subsistencias, are as follows: $6.21 per 100 pounds (sucres 85 per quintal) for first quality from mills in Guayaquil; $5.99 per 100 pounds (sucres 82 per quintal of 101.41 pounds) for first quality from other mills, and 22 cents per 100 pounds (sucres 3) less than these prices for second quality rice. Polished, hulled, or unmilled rice may be exported, but the latter may be exported only until August 31, 1948. For the Province of Manabi, unmilled rice may be exported until September 30.

In the early part of May prices quoted for milled rice at the mill dropped from $6.94 to $6.06 per 100 pounds (95 to 83 sucres per quintal) for the best Guayaquil rice, and from $5.92 to $5.41 (81 to 74 sucres per quintal) for rural milled rice. The price was predicted to fall below $5.11 per 100 pounds (70 sucres per quintal) for the latter type, because exporters, appraising the world market, were unable to commit themselves so early in the harvest season.

The market experienced a small and temporary rise on May 8, when the Central Bank was authorized to arrange credit directly with exporters for the purchase and disposal of the crop. The Provincial Bank, of Guayas, backed by the National Development Bank entered the rice market early in June and payed the prices established for rice delivered to the Direccion de Subsistencias up to 50 million pounds. This had the effect of stabilizing the price at these levels. The signing of an export contract with a foreign country on June 19 for more than 20 million pounds resulted in a rise in the quoted price at the mill to $6.72 per 100 pounds (sucres 92 per quintal) for the best Guayaquil rice. /Prices in this article are converted at the official selling rate of $0.0741 to a sucre./

Based in part upon a report by Walter A. Houk, American Vice Consul, Guayaquil.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FR-9-48 September 13, 1948

FOREIGN MARKET NOTES--RICE

J. N. Efferson Reports on the Rice Situation in Egypt and Italy[1]

Egypt

Although Egypt, particularly Cairo, was not exactly a pleasant (or healthy) spot for an American during the period of Dr. Efferson's stay, he was able to make the necessary contacts with Government and business people connected with the rice industry there. In addition, he made a 1-day observation tour of the rice-producing areas and experiment stations in the Nile Valley and a 2-day visit to the rice business and milling centers at Alexandria.

The 1947 Egyptian rice crop was estimated at about 62,500,000 bushels (basis, rough rice), from 805,000 acres--an average yield of 78 bushels or 22 barrels per acre--as compared with an average production of about 33,536,000 bushels from 463,000 acres for the 5-year period, 1935-39.

The rice produced in Egypt is of the short-grain, Japanese type; and the usual growing season is 144 to 155 days. There is a small acreage of an early variety, grown in Fayoum Province, which matures in about 110 days. Three major varieties account for about one-half of the total area planted. About 50 minor varieties are planted on the remaining acreage. Of the 1948 crop, about 30 percent was transplanted and 70 percent was broadcast. The trend is toward transplanting--for five years only about 10 percent of the rice acreage was transplanted. This change in practice is due to higher yields obtained by transplanting and to the fact that, by transplanting, the land is left in winter crops for a longer period of time. The limiting factor is the amount of irrigation water available during the planting season.

The supply of irrigation water is most critical from April to July, when it is needed for rice-planting and in the early growth of the cotton crop. For this reason, rice and cotton compete directly for both land and water.

Ammonium sulphate is the preferred fertilizer for use on rice in Egypt. Test results show an average yield increase of 35 percent from the use of about 120 pounds of ammonium sulphate per acre. At the present time, ammonium sulphate is in short supply, and cottonseed cake is being used as a substitute at the ratio of 4 to 1. Egypt is in the process of building a plant which is expected to produce 275,000 short tons of calcium nitrate annually, when it reaches full production. This plant is expected to start operating in early 1950. Another plant, under construction and not expected to be completed for at least five years, is designed to produce a maximum of 440,000 tons of nitro-chalk. This is a part of the Government hydro-electric project.

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[1] Preliminary report of a study of foreign market outlets and competition with United States rice conducted under the provisions of the Research and Marketing Act.

Each year, the Government issues regulations requiring the delivery of a certain portion of the rice crop at a fixed price. This regulation applies to the producers of more than one acre of rice, and the amount to be delivered varies from the equivalent of 15 bushels per acre for small farms up to about 33 bushels per acre from individual farms with 104 acres or more in rice. In 1947, under this plan, the Government collected about one-third of the total rice produced at a fixed price equivalent to about $1.52 a bushel. The mills, in turn, are required to produce for the Government, at a fixed milling margin, slightly less than 69 pounds of milled rice per 100 pounds of rough rice delivered to them. Average milling yields are about as follows: Polished rice and brokens, 70 percent; rice hulls, dirt and dust, 20 percent; bran, 9 percent; and rice germ, 1 percent. As an indication of the relative profitableness of rice milling operations under the present Government-controlled program, new mills are being built, the older ones are being expanded, and additional storage facilities for rough rice are being made.

At the present time, about 70 percent of the rice milled in Egypt is of the "Mamsouh" grade, which is undermilled, contains some red grains, has from 12 to 21 percent brokens, and contains foreign matter up to about 3 percent consisting mostly of small, black particles of soil. Considering all factors, the Mamsouh grade is about as good as Burma "small mills special" or Siam "35 percent brokens." An additional 20 percent of the rice milled is cargo, or brown rice, to meet certain export demands and for use in mixed flour for the local population. The remaining 5 percent is of the higher grade 8 percent broken rice and special quality glazed rice. The 1947 crop, now being milled, is expected to produce 940,000 short tons of milled rice after withholding the seed needed for the 1948 crop. Of this amount, about 310,000 short tons of milled rice is expected to be exported, 175,000 tons used in bread-grain flour mixtures, and the remainder consumed as rice in Egypt. Of the export surplus available from the 1947 crop, about 250,000 tons is Government-owned. The Government pays approximately $5.62 per 100 pounds for the Government- and non-government-owned rice (which has been and is being exported) and sells it f.o.b. Alexandria for approximately $8.45 per 100 pounds. The only expense to the Government in this transaction is for storage, transportation to docks, and loading on the ships.

Italy

While in Italy, Dr. Efferson consulted with Government officials and representatives of the industry, visited the rice-experiment station at Vercelli and farms and rice mills in the Vercelli, Novara, and Pavia regions. In addition, he observed the work of the Ente Nazionale Risi (The National Rice Office) in their regional offices. The following paragraphs summarize some of the observations resulting from the Italian survey.

Rice is produced in Italy by both hand-transplanting and direct broadcasting methods. The practice of transplanting is increasing and, today, is practiced in about one-third of the region. Higher yields per acre are obtained and, by transplanting, rice can follow wheat or the hay land can be left untouched for two months longer as a result of which an extra cutting of hay can be obtained. For broadcasting, the usual procedure is to plow, fit, and fertilize the land in March, flood and puddle it, and broadcast on water in March and April. For transplanting, the land is plowed and fitted in early June, and the transplanting is done in June and July. Harvesting begins in late August and extends through late October.

Practically all of the farms are conbination rice-dairy-hog-poultry farms. A 5-year rotation is the usual rule. Clover land is plowed in the spring and planted to rice; wheat follows the rice in the fall; and rice is planted again the next year, followed by clover for hay to remain for three years. In some cases, a 7-year rotation (3 to 4 seasons in rice) is practiced. The rice straw is used for feed and bedding. The hay is the major feed for dairy cattle. Larger farms have their own rice mills, and the bran and broken grains are used as feed for dairy cattle and hogs.

The unusually high yields per acre of rice in Italy are a subject of interest throughout the world. Among the factors contributing to these high yields are: (1) the application of barnyard manure at the rate of 10 to 30 tons per acre, just before planting the rice; (2) heavy application of chemical fertilizers to the rice crop, including a mixture of ammonium sulphate, superphosphate, and potassium chloride at an average rate of 700 lbs. per acre (two-thirds of this amount being applied before seeding or transplanting and one-third as a top dressing); (3) the long-time rotations including several years of a legume hay crop preceding the planting of rice. The intensive hand-weeding practiced and the natural fertility of the Po Valley soils are also important factors.

Four major types of rice are produced in Italy including: (1) "Commune," or short-grain rice; (2) "Semifino," or medium-grain; (3) "Fino," or rice similar to United States medium- to long-grain types such as "Fortuna;" and (4) "Superfino," which is similar to long-grain types such as "Rexora." Of the total production in 1947, it is reported that 73 percent was of the Commune type; 14 percent, Semifino; 11 percent, Fino; and 2 percent of the Superfino type. Only one standard grade of milled rice of each of the four types is being produced. The milling yields for these vary from 64 percent head rice and 7 percent brokens for the Commune type to 60 percent head rice and 8 percent brokens for the Semifino; 54 percent head rice and 12 percent brokens for the Fino; and 49 percent head rice and 17 percent brokens for the Superfino type. The average milling yields on all types are about 70 percent; bran yields are 8 percent; and hulls and waste, 22 percent.

All rice farm prices, milling margins, wholesale prices, retail prices, and exports are controlled by the Ente Nazionale Risi (The National Rice Office) an official agency of the Italian Government. Fixed prices of the 1947 crop were established last year on the basis of an expected world shortage of rice similar to that experienced in 1946. The pricing program included a bonus for production above domestic requirements. The fixed prices to the farmers for the 1947 crop (including the promised bonus for the export surplus) varied from the equivalent of $2.00 per bushel or $7.20 per barrel for the short-grain types to about $2.35 per bushel or $8.50 per barrel for the long-grain types. The promised bonus amounts to about one-half cent per pound of rough rice, or an added extra return averaging 22 cents per bushel or 80 cents per barrel. The fixed wholesale prices paid to millers varied from about $7.10 per 100 pounds of milled rice for the Commune short-grain type up to about $10.10 per 100 pounds for the long-grain Superfino type. Controlled retail prices for this rice vary from about 8-1/2 cents per pound for the short-grain rice up to 14 cents per pound for the best quality, long-grain types.

During the 5-year period prior to the war, Italy exported an average of about 220,000 short tons of cleaned rice annually. It was estimated that 55,000 to 65,000 short tons were still available August 1, 1948 for export from the 1947 crop. Prospects indicate a 1948 production about as large as the 1947 crop, which will add to the exportable surplus. Most of the exportable supplies are of the Commune type.

Developments in the Italian rice industry will have much bearing upon the markets for United States rice in Europe. Although most of the rice produced in Italy is of the short-grain type--and will continue to be of this type--the mills produce a very high quality, short-grain product. If there is much difference in price in favor of the Italian product, European buyers will be likely to purchase the Italian rice. In the long-grain, specialized market, they will offer little competition other than that caused by the general relationship of short-grain to long-grain rice prices.

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FR 10-48 September 20, 1948

1947 WORLD RICE TRADE LARGEST SINCE THE WAR

International trade in rice during 1947 amounted to approximately 6,000 million pounds compared with 4,200 million in 1946, but was less than one-third of normal prewar trade, according to a trade summary of the Office of Foreign Agricultural Relations. Some further recovery is expected in the 1948 world movement of rice, but it will be much less than the 20,000 million pounds exported during the prewar average (1936-40) period.

Total world shipments in 1948 may be less than the 8,200 million pounds (See Foreign Crops and Markets, June 28, 1948) exportable supplies estimated in the first part of the season, however, because of the reduction in the rate of exports from Burma, where civil disturbances have restricted the movement of rice to ports. Rice from the other exporting countries of the world has been exported generally in accordance with the increased quantities allocated by the International Emergency Food Committee for export in 1948.

During 1947 international commerce in rice increased over that of the preceding year in all the Continents except Europe. The most noticeable gain occurred in Asia, but exports from North and South America also showed a marked rise.

Exporting countries

Rice exports from the surplus area of Asia, namely, Burma, Siam, and French Indochina, equaled about 3,800 million pounds, and accounted for more than 60 percent of the total world trade. Burma alone exported about 30 percent of the world total. Increased exports from that country were nearly double those of the year before as the result of some recovery in rice production. Decreased stocks in Siam resulted in smaller exports from that country, however, and exports from French Indochina were also less than in the preceding year.

In the Near East, the exports of Iran during the first part of the fiscal year 1947-48 (March 21-March 20) indicated that exports for the 12 months would be slightly less than in the preceding season. Exports from that country, having increased in recent years, are about double prewar average deliveries. A large proportion of Iran's rice export availabilities usually are taken by the Soviet Union.

The exports of North America showed a sharp gain over those of the preceding year. United States exports increased 27 percent, and for the first time this country ranked second in world rice exports. Of the other North American countries, Mexico had the largest shipments since 1942, and exports delivered from Central American countries, although relatively small, were larger than in any previous year.

The 1947 exports of South American countries increased 17 percent over those of the year before, and were more than four times as large as prewar (1936-40) deliveries. The prewar exports of rice from surplus South American countries equaled only 75 percent of the rice imported by deficit countries, but in 1947 the net exports from South American countries amounted to 690 million pounds.

Larger shipments abroad in 1947 from the two leading exporting countries were chiefly responsible for the rise in South America's trade. Record exports from Brazil were 62 percent more than in the year before, and were about six times as large as prewar deliveries. Ecuador's shipments, only slightly more than in the preceding year, were five times the amount of its prewar exports.

Africa's 1947 exports exceeded the deliveries of 1946. The increase was due wholly to larger shipments from Egypt. Otherwise, exports of the several minor exporting countries were reduced primarily by smaller crops. In Madagascar, in recent years a source of some rice for other countries, decreased production and greater consumption during 1947 reduced exports to a point below the relatively small quantities of rice imported.

Europe's 1947 exports evidenced little recovery over the sharp wartime drop to virtually no deliveries in 1945 and 1946. Formerly, rice exports of domestic rice from Italy accounted for about one-half. In 1947, Italy's production had not yet recovered sufficiently to permit rice exports, and other European countries were unable to import semimilled rice for further milling and reexport.

Importing countries

The importing countries of Asia during 1947 received more than 75 percent of the world rice imports. Receipts of 4,700 million pounds were 1,600 million more than in the year before, but were only one-third of the prewar average. The major importing countries in the order of the volume taken were India, China, Ceylon, the Malayan Union, the Netherland Indies, Hong Kong, and the Philippines. In addition to imports from foreign countries, China received some shipments from Formosa.

The record rice imports by North American countries during 1947 were primarily the result of above-average imports by Cuba. These were 40 percent more than prewar average receipts. Although Canada's imports showed an improvement over the small 1946 trade, they were only 75 percent of prewar receipts.

On the other hand, the imports of South American countries were the smallest on record as the result of continued expansion up to 1947 of the rice industry in most of the countries. Imports of about 50 million pounds were approximately one-fourth of the 205 million pounds imported before the war. Whereas rice was imported in substantial volume in seven of the thirteen countries during the 1936-40 average period, in 1947 imports exceeded exports only in 3 countries. Of these, only Venezuela and Bolivia now import significant amounts.

Despite the fact that the rice imports of Europe and Africa exceeded those of 1946, they were only 5 and 24 percent of prewar average imports, respectively. In Europe, the gain in takings over those of the preceding year was particularly evident. In 1946, virtually no rice was imported in that Continent, but in 1947, at least six countries received 10 million pounds, or more. Imports into most of the numerous rice-importing nations of Africa also showed an increase over 1946.

Imports into Oceania were about one-half of the 100 million pounds received before the war. These now are governed to a great extent by the amount of rice available for export in Australia, where since August 1942 all of the domestic crop, with the exception of a certain amount issued to invalids and Asiatics domiciled in Australia, has been exported abroad to meet the demands of Oceania and some other deficit areas.

This is one of a series of regularly scheduled reports on world agricultural trade approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of C. M. Purves, Acting Chairman, Russell S. Kifer, L. Thelma Willahan, Eleanor P. Lang, Constance H. Farnworth, and Mary E. Long.

RICE, IN TERMS OF MILLED: International trade, average 1936-40, annual 1946 and 1947

Continent and Country	Average 1936-40		1946 a/		1947 a/	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
North America:						
British Honduras...	-	2,764	-	b/2,700	-	-
Canada..............	2,525	50,958	3	26,018	6	38,441
Costa Rica..........	0	2,053	1,000	11	1	24
El Salvador.........	2,641	3	547	-	8,012	-
Guatemala...........	c/	75	c/	567	1,135	1,563
Honduras d/.........	1	2,591	e/2,370	-	e/ 1,550	-
Mexico..............	18,555	347	3	3,293	e/22,000	4,460
Nicaragua...........	150	518	11,228	-	8,023	-
Panama..............	-	13,398	-	7,326	-	6,748
United States.......	235,206	20,534	772,592	3,483	978,375	610
British West Indies	f/ 471	118,074	-	b/70,000	-	b/55,000
Cuba................	60	444,612	1,426	330,464	1	620,639
Dominican Republic.	165	7,989	8,397	-	1	7,500
Haiti g/............	1	2,359	2,357	c/	1,544	c/
French West Indies.	-	21,975	-	b/12,000	-	b/12,000
Total h/.........	259,775	690,821	799,923	458,362	1,027,648	758,985
Europe:						
Austria.............	f/ 5	f/62,366	-	-	-	1,127
Belgium.............	29,249	140,798	-	-	-	b/35,000
Czechoslovakia......	3	84,898	-	-	-	b/ 4,000
Denmark.............	45	19,082	0	5	0	0
Eire................	0	7,909	0	0	-	-
Finland.	0	31,723	0	7	-	-
France.....	31,120	1,239,561	6	10,478	136	24,778
Germany.............	38,288	483,566	-	-	-	-
Greece..............	0	63,719	-	507	-	23,589
Hungary.............	0	43,438	0	0	0	0
Italy...............	335,639	1,400	331	0	1,210	1,653
Netherlands.........	187,911	378,363	0	0	-	4,500
Norway..............	420	11,157	0	3	0	1
Poland..............	20,315	92,923	0	1,638	-	-
Portugal............	186	16,641	97	6,997	-	11,455
Rumania.............	1,303	46,597	-	-	-	-
Spain...............	f/11,695	f/81,733	14,291	73	-	6,614
Sweden..............	109	33,374	0	52	0	11
Switzerland.........	14	58,594	2	178	c/	20,942
United Kingdom.....	12,202	311,174	-	16,585	-	10,383
Yugoslavia..........	f/ 153	f/47,168	-	180	-	-
Total h/.........	671,768	3,264,764	14,827	41,303	13,346	154,558
U. S. S. R..........	f/ 2,403	f/94,300	-	b/70,300	-	b/100,000

Continued

RICE, IN TERMS OF MILLED: International trade, average 1936-40, annual 1946 and 1947 - continued.

Continent and Country	Average 1936-40		1946 a/		1947 a/	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Asia:						
Aden	42,015	49,996	-	-	-	-
Iran i/	64,129	1,252	134,781	179	125,000	-
Iraq	13,029	84	4,000	-	5,100	3,000
Palestine	2,381	41,020	-	-	-	-
Syria and Lebanon	18	37,646	-	6,157	-	9,632
North Borneo	0	f/ 37,652	-	-	-	-
Brunei	0	f/ 6,440	-	-	-	-
Sarawak	0	84,714	-	-	-	-
Burma	6,535,742	-	959,241	-	1,760,920	-
Ceylon	7	1,219,294	1,098	568,284	1,214	581,062
China	26,840	870,994	1,559	b/460,000	1,890	673,000
Manchuria	f/ 10,485	f/178,904	-	-	-	-
Formosa j/	1,426,661	8,321	-	-	k/880,000	-
French Indochina	3,232,998	11,519	216,827	-	148,429	-
Hong Kong	602,314	1,075,402	-	-	0	b/ 200,000
India l/	622,218	3,726,688	4,295	630,000	-	m/1,121,857
Japan n/	231,632	4,122,395	-	35,024	-	6,614
Foreign	-	(594,735)	-	-	-	-
From Colonies j/	-	(1,415,172)	-	-	-	-
Korea j/	2,367,393	72,735	0	-	-	89,313
Mayalan Union	369,852	1,746,239	4,422	-	3,554	536,394
Netherlands Indies	73,737	499,118	-	-	-	215,605
Philippine Islands	1,316	130,886	-	258,236	-	159,895
Portuguese India	62	54,736	-	-	-	-
Siam	2,920,437	-	983,913	-	846,720	-
Total h/	18,543,276	13,993,564	2,330,841	3,081,338	3,772,827	4,692,260
South America:						
Argentina	467	52,286	8,638	-	-	-
Bolivia	0	18,371	-	25,079	-	b/ 15,000
Brazil	83,335	0	335,212	-	545,720	-
British Guiana	34,296	5	50,671	-	44,943	-
Chile	3	24,107	78,497	-	5,954	-
Colombia	3	29,614	14,178	-	-	-
Ecuador	25,685	4	129,769	-	136,659	-
French Guiana	0	2,692	0	1,870	-	913
Paraguay	0	327	0	101	0	0
Peru	51	44,742	-	6,702	-	0
Surinam	10,654	4	-	-	-	-
Uruguay	3,775	191	1,545	0	-	-
Venezuela	0	32,924	-	-	-	33,069
Total h/	158,269	205,267	628,510	58,752	734,776	48,982

Continued

RICE, IN TERMS OF MILLED: International trade, average 1936-40, annual 1946 and 1947 - continued

Continent and Country	Average 1936-40		1946 a/		1947 a/	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Africa:						
Algeria	4,918	65,224	-	4,435	-	-
Sudan	252	6,719	-	4,669	-	-
Belgian Congo	3,132	611	13,316	-	7,238	-
Kenya & Uganda	827	24,536	147	38	-	-
Tanganyika	980	21,805	157	45	4,800	-
Zanzibar	436	38,033	-	-	-	-
Br. Somaliland	-	f/ 28,587	-	-	-	-
Gambia	-	11,245	-	-	-	-
Egypt	276,601	4,150	o/321,693	-	361,490	1
It. Somaliland	f/ 0	12,830	-	-	-	-
Fr. Equat. Africa	-	6,524	-	1,116	-	3,907
French Morocco	-	24,719	-	3,086	-	441
Fr. West Africa	534	180,336	-	324	-	65,871
Gold Coast	8	24,942	784	0	-	-
Liberia	-	f/ 5,556	-	1,478	-	b/ 3,700
Libya	-	13,713	-	-	-	-
Madagascar	15,942	3,848	11,971	-	2,645	3,307
Mauritius	34	123,091	-	-	-	-
Mozambique	215	18,341	3,111	0	-	-
Nigeria	-	21,376	1,150	117	-	-
Reunion	-	67,465	-	23,596	-	19,246
Tunisia	-	45,418	-	11	-	-
Total h/	318,631	928,416	364,438	156,992	386,744	226,994
Oceania:						
Australia p/	29,025	5,268	55,940	2	60,000	-
Aust. New Guinea	-	f/ 21,840	-	-	-	-
Mandated Isl.	-	32,375	-	-	-	-
New Caledonia	238	7,183	-	2,328	-	4,134
New Zealand	17	8,542	-	2,637	-	4,234
Total h/	29,285	101,077	55,950	43,970	60,000	48,583
WORLD TOTAL h/	19,983,407	19,278,209	4,194,000	3,911,000	q/5,995,000	6,031,000

a/ Preliminary. b/ Estimated on the basis of export data of exporting countries. c/ Less than 500 pounds. d/ July-June. e/ Estimated on the basis of import data of importing countries. f/ Less than 5-year average. g/ October-September. h/ Including countries not shown. i/ March 21-March 20. j/ Shipments to Japan from the prewar Japanese colonies, Formosa and Korea, comprised the principal rice trade of the 3 lands. k/ Estimated export surplus. l/ April-March through 1940-41. m/ Unofficial. India, including Pakistan to August 15, 1947. n/ November-October. o/ November-October 1945-46. p/ Year beginning July 1. q/ Due to incomplete reporting in exporting countries, reported imports exceed exports.

Office of Foreign Agricultural Relations. Prepared on the basis of official statistics of foreign Governments and reports of United States foreign-service officers. Includes milled, brokens, semi-milled unconverted and rough rice in terms of milled.

43
628

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FOREIGN MARKET NOTES--RICE

J. N. Efferson Reports on the Rice Situation in Switzerland, France, Belgium, Netherlands, Denmark, and Sweden[1]

At the conclusion of Dr. Efferson's studies of the major rice-producing and consuming countries throughout Asia, in Egypt, and in Italy, he made brief three- to five-day visits to most of the important rice-consuming countries in western Europe. The objective of this part of the rice survey was to determine demand factors affecting the consumption of rice in Europe and to evaluate the possibilities of marketing United States rice in Europe when rice supplies become more abundant. The following are the more important facts obtained in each of the countries studied:

Switzerland

The prewar consumption of rice in Switzerland averaged about 30,000 short tons of milled rice annually. About 30 percent of this rice was imported as white, milled rice and 70 percent as brown rice. This brown rice was milled in 6 rice-polishing mills which are located in the southern Italian-speaking part of Switzerland. Most of the prewar imports came from Italy, although small amounts were obtained from Siam, Burma, Brazil, Egypt, and the United States.

The southern part of Switzerland--the Italian-speaking region--is the most important rice-consuming area in the country. In this section, per-capita consumption rates vary from 20 to 40 pounds annually, when rice supplies are available. In addition, the mountain livestock herders use relatively large quantities of rice, when available, for summer food when they move their livestock up to the mountain pastures. They report that rice is a good concentrated food and is easy to carry long distances and, thus, is in demand for summer use by dairy farmers.

According to estimates by the trade and by Government officials, Switzerland would consume at the present time a minimum of about 22,500 short tons of milled rice, if it were available. Their IEFC allotment for 1948 is 11,600 short tons--or about one-half the demand--and is allotted from Egypt, Siam, Brazil, and Ecuador.

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[1] Preliminary report of a study of foreign market outlets for and competition with United States rice conducted under the provisions of the Research and Marketing Act.

At the present time (August 1948), Egyptian rice purchased as brown rice is reported to cost about $10.85 per hundred pounds, delivered at the Swiss border. Assuming an 80 percent normal yield of milled rice from brown rice, this means that the equivalent cost of white, milled rice from Egypt is about $13.50 per hundred pounds. Milled, white rice from Brazil is reported to cost $12.50 per hundred pounds delivered at the border. The import duties charged by the Swiss Government on rice amount to about 7 cents per hundred pounds on brown rice and 51 cents per hundred pounds for white, milled rice. This difference in import duties stimulates the importation of brown rice rather than milled rice.

Consumer demand for rice in Switzerland is for a well milled, clean, white rice with little or no broken grains. The people do not like rice with a high percentage of brokens. Before the war, the "Blue-Rose" quality from the United States (a medium-grain type) was reported to be the preferred rice, and the short-grain "Vialone" rice from Italy was also in demand. Their experience with long-grain rices is that they usually contain a large percentage of broken grains and, thus, cook unevenly under the usual methods of cooking rice in Switzerland. Thus, they prefer short- and medium-grain types with no broken grains to long-grain types with a high percentage of brokens.

In regard to the prospects for selling United States rice in Switzerland, the attitude of the Swiss appears to be "wait and see." They state that they would like to have United States high-quality rice; are not particular that it be long, medium, or short grain; but do want it to be all whole rice, and not mixed, whole rice and broken grains. They state that they have the dollars with which to pay for United States rice and will buy it if prices are in line with prices in other countries, quality considered, if IEFC approval is provided for exports from the United States to Switzerland without loss of IEFC wheat allotments.

France

Prewar imports of rice into France varied from 550,000 to 880,000 short tons annually in terms of brown-rice equivalents. About 95 percent of these imports were from French Indochina. Of these imports, most of the rice was brought in as brown rice or as broken rice. In 1938, for instance, imports of brown rice amounted to 353,000 short tons; broken rice, 114,000 tons; rice flour, 52,000 tons; rough rice, 33,000 tons; and milled rice, 42,000 short tons.

Only about 15 percent of these total imports were utilized as milled rice for direct consumption uses; 15 percent was used for industrial purposes in breweries and starch plants, and 70 percent went into livestock feed. France has 30 rice mills located in southern ports, which were not used to capacity even in prewar days and are now mostly idle. They report that these mills were not damaged during the war and that present milling capacity is at least equal to prewar.

According to official reports, France imported only 12,800 short tons of different types of rice in 1947, or only about 2 percent as much as normal prewar imports. The loss of imports has stimulated interest in the domestic production of rice in France. Thus, rice production in France increased from 39,000 bushels of rough rice produced on 1,500 acres in 1943 to about 294,000 bushels produced on 5,930 acres in 1947. According to some specialists, France has a potential production capacity of about 22,000 short tons of clean rice annually, if all land suitable for rice were so used. The present production is of the short-grain, Italian-type rice produced under conditions similar to those in Italy. French rice consumers prefer the long-grain, hard-rice types for direct consumption uses. In prewar days, long-grain and medium-grain rice from the United States and the "big-grain Madagascar rice" were the types in greatest demand; but only small quantities of United States rice were purchased because of the relatively high prices. There are no import duties on rice in France at the present time. In prewar days, import duties were imposed when a wheat surplus occurred in the country, in order to protect domestic wheat producers from cheap feeds made from rice and rice products. If a similar situation develops, these import restrictions can be expected to be reestablished.

Assuming rice prices at competitive levels with other foods, the long-time, postwar consumption of direct edible rice in France is expected to be about the same as in the prewar period, or about 110,000 short tons annually. France now has a population of 41 million people, or about the same as prewar, and the direct consumption of rice averaged about 3 pounds per person, per year, in the period before the war. The prewar use of from 550,000 to 660,000 short tons of rice and rice products for feed and industrial uses will be reestablished only if rice becomes relatively cheap, as it was before the war, and if special concessions are made to French Indochina in order to maintain trade relationships.

As in other European countries, the largest stumbling blocks to sales of United States rice in France in the future appears to be their shortage of dollar credits and the relatively high prices which the trade in France expects will be asked for United States rice. In view of the uncertainty of the situation in French Indochina (where practically all of the prewar supplies were obtained) and the pent-up demand which exists for rice in France at the present time, however, France does appear to offer some possibility as a postwar market for United States rice. This market should be fully explored as soon as allocations become available.

Belgium

Prewar imports of rice into Belgium varied from 77,000 to 88,000 short tons annually, including all types of rice and rice products. In 1938, for instance, total imports were 87,000 short tons, of which 47,800 tons came from Siam, 15,800 tons from French Indochina, 6,600 tons from Egypt, 4,700 tons from the United States, 3,500 short tons from Burma, and the remainder in smaller quantities from several other countries. According to estimates of the trade, about one-half of the annual import was brown rice, one-fourth was broken rice, and one-fourth was milled, whole rice. In addition, about 2,200 short tons of rough rice was imported annually, mostly from French Indochina.

All of this rice was not consumed within the country. Prewar exports of rice and rice products from Belgium varied from 11,000 to 27,500 short tons annually. In 1938, for instance, Belgium exported 12,000 short tons of rice and rice products to the United States, 1,700 tons to Germany, 1,000 tons to Holland, and 100 tons to Switzerland. Exports totaled 18,000 short tons. The exports of rice and rice products to the United States--which were more than double the imports of rice from the United States--were mostly in the form of rice starch.

Only a small part of the prewar normal rice volume has been available for consumption in recent years, and the rationed amount of 100 grams per person, per month, is not sufficient to meet the demand. The country now has a population of about 8 million. They consume rice mostly as a supplement to chicken, in soups, and in baking, as well as in the manufacture of semolina. Broken rice and bran is also used for feed and for industrial uses. Of the total consumption of rice in prewar Belgium, about 27,500 short tons was consumed as milled rice and about 44,000 short tons was used as broken rice in feeds and for industrial uses, annually.

There are no import duties at present on rice imported into Belgium. Duties existed before the war but were suspended. There is, however, a 9-percent consumption tax on rice which is added to the retail price.

For direct consumption purposes, the type of rice preferred by the Belgian consumer is the long-grain or medium-grain type from the United States. According to the rice millers and dealers in Antwerp, "Every housewife in Belgium knows United States quality rice and wants it." They report, however, that, in the past, United States long-grain and medium-grain rice was usually too high in price relative to the price of rice obtained from the Asiatic countries; thus, they purchased most of their supplies elsewhere. The millers prefer that the rice be imported into Belgium as brown, or cargo, rice. There are 2 large rice-polishing mills in Antwerp and several smaller ones with a combined annual milling capacity in excess of 132,000 short tons annually, if used to capacity.

The millers, dealers, and Government officials report that, at the present retail price of about 13 cents per pound, the Belgian population would easily consume 27,500 tons yearly of good, white, milled rice. They report that additional amounts would be used for industrial purposes if it were available, assuming it to be of the lower qualities and at a relatively low price. They report that, although the dollar shortage in Belgium is serious, they do earn some dollar credits and might use some of these funds for buying United States rice if, and when, the supply situation improves and allotments are made by the IEFC from the United States to Belgium and if the price is right. They consider the "right" price under present conditions to be not more than $10.00 per hundred pounds for milled rice.

Netherlands

In the prewar period, 1936-39, the Netherlands carried on a large import and export trade in rice and rice products. Imports of all types of rice amounted to about 229,000 short tons annually during this period; and most of these imports came in as brown, or cargo, rice and were milled in Holland. There are 20 fairly large rice mills in Holland which operated almost to full capacity in prewar days. At the present time, however, only six of these mills are operating on a part-time basis; while the others are idle, due to the shortage of rice. None of these mills was damaged to any great extent during the war, and the present milling capacity is reported to be at least as great as in prewar days.

The general pattern of the prewar rice trade was to reexport, after milling, about one-half of the total volume imported. The average annual exports of rice in the 1936-39 period were in excess of 110,000 short tons annually. The general practice was to import brown rice; mill it in Holland; and export milled rice, while the by-products were used in Holland. The imports of brown rice came mostly from Burma, the Netherlands Indies, Egypt, and Siam. The exports of milled rice went to 50 different countries scattered throughout Europe, Africa, and Latin America.

Since the end of the war, very little rice has been imported into the Netherlands. Total imports in 1947 amounted to only 2,200 short tons; and total IEFC allocations for 1948 amounted to 13,800 short tons. The supplies available have been used for infant feeding, and no general ration to the people has been issued. With the increased supplies expected from mid-year IEFC allocations, the Government plans to start its first general rice-ration issue in September, 1948. The planned ration is to be about 6 ounces per person, per month, and is to retail at about 19 cents per pound.

For direct consumption uses, the Dutch people prefer long- and medium-grain rice, when they can afford it. In prewar days, the trade reports that United States rice of the medium- and long-grain types was liked best of all; but the price, most of the time, was so high in relation to other sources of supply that only small quantities were imported.

Assuming that rice supplies become more adequate and allocations of rice from the United States to the Netherlands are made at some future date, the general opinion of the Dutch rice trade and the Dutch Government officials contacted is that Holland is still not likely to buy much rice from the United States. They state that the most serious problem in Holland likely to stop them from buying United States rice, even though they like it best and even if the price is competitive, is the dollar shortage.

There are no import taxes on rice in Holland at the present time. The prewar duty on milled rice was about 2 cents per pound. For brown or cargo rice, however, special concessions were made which reduced the average duty for this type of rice to about one-fourth of the duty on milled rice. The opinion of the trade is that, when rice supplies become more abundant, somewhat similar import regulations will be imposed.

The import-duty regulations in prewar days encouraged the importation of brown rice rather than milled rice. This was done so as to stimulate the milling industry within Holland and to provide by-products for livestock feeding. The Netherlands rice trade reports that its members would much prefer to buy brown, rather than milled, rice and are likely to buy most of their rice in the future, as they have in the past, from the countries which will sell them brown rice at relatively low prices. They state that, at present world prices for rice, the Dutch Government is not likely to permit much more rice to come in than the current IEFC allocation. If rice prices declined about 20 percent, however, they feel that governmental restrictions on rice imports would be modified.

Denmark:

Prewar imports of rice and rice products into Denmark averaged about 11,000 short tons annually, although there was much variation from year to year, depending on changes in rice prices. The source of these imports also varied from year to year. In 1936, about one-half of the total imports came from Spain, and the remainder from India and Siam. In 1937, two-thirds of all imports came from Italy, and the remainder from Siam. In 1938, 40 percent of all imports came from Italy, 35 percent from Siam, 20 percent from the United States, and 5 percent from other sources. According to the trade, the usual practice was to purchase rice where the price was most reasonable.

Most of the rice imported into Denmark was brought in as milled, polished rice. There is one small polishing mill in Denmark and several oat mills which have been used to polish rice on occasion; but the amount of rough or brown rice brought into Denmark has always been small and is not likely to increase in the near future. Prewar imports averaged about 50 percent whole, head rice, completely milled, 40 percent broken rice, and 10 percent rice flour and rice starch. Because of the method of consuming rice in Denmark and the importance of relatively low prices, the proportion of broken rice to head rice and the percentage of broken grains in the imported milled rice has always been relatively high and is likely to continue on this basis.

There have been no official imports of rice into Denmark since 1940, and practically no rice has been available to most consumers during the past eight years. The ECA plans for the 1948-49 fiscal year include 1,100 short tons of rice to be shipped from the United States to Denmark in 1948. The preliminary plans of the Danish Government developed for the ECA program indicated that, if dollars were available to purchase it, they would like and would consume 16,500 short tons in 1948-49, including 8,800 tons from the United States and 7,700 tons from other sources. Because of the shortage of dollar credits and the expected high price of United States rice (they used an estimated price of $10.43 per hundred pounds), the final plan included only 1,100 short tons of rice.

Rice, in Denmark, is consumed mostly as a special holiday dish, which is a traditional part of dinner on Christmas Eve. It is cooked as a thickened, sweet porridge, in milk, with fruits added on some occasions, and is served as the first and most important course of this meal, and on other festive occasions. The traditional custom is to put one almond in the big bowl of rice porridge, and the legend is that the individual who gets the almond will have a lifetime of good luck, provided that he does not report the fact until all the rice is eaten. The result is that the supply is always eaten down to the last grain. Thus, rice in Denmark is as important to the Christmas Holidays as turkey in the United States or meat pie in England.

The method of cooking--which results in a thickened, sweetened, soup-like dish--indicates why they consume large quantities of broken rice and have little preference for high quality, long-grain rice. The trade estimates that about one-half of the total normal rice supply is consumed in this one meal; another one-fourth as a similar dish on other festive occasions; and the remaining 25 percent is consumed as a side-dish with chicken or meats. From reports obtained in Sweden and discussions with individuals familiar with rice-consumption habits in Norway, it is assumed that all of the Scandinavian countries have this same consumption habit in regard to rice.

This method of consumption points up several important factors relative to the marketing of rice in Denmark as well as in Sweden and Norway. Because of this method of use, there is no large-scale demand for long-grain rice or for high-quality rice with a low percentage of broken grains. Thus, the demand in these countries in the past has been for a white, well milled rice, which could be obtained at the lowest price, regardless of the grain type or the percentage of broken grains. This type of demand in these countries is likely to continue to predominate in the future. This does not mean that there is no market for long-grain rice in the Scandinavian countries; in the past they have purchased, and paid premium prices for, long-grain rice in small quantities. It does mean, however, that any plans for the development of volume markets for rice in these countries should be based on supplying them with short grain and broken rices at relatively low prices.

There is an import duty of 2 Danish ore per kilo on all rice and rice products imported into Denmark. This duty is the same for brown, broken, or milled, whole rice and amounts to about 2.5 cents per pound.

Sweden

Prewar imports of rice into Sweden averaged about 16,500 short tons annually, including about two-thirds as white, milled and broken rice and one-third as brown, or cargo, rice. Most of these imports came from the Netherlands, Egypt, the United States, Brazil, Burma, the Netherlands Indies, and Siam.

Sweden has an import duty of 2 Swedish kronors per 100 kilos of white, or milled, rice, but has no import duty on brown, or cargo, rice. This amounts to about 2.5 cents per pound for milled rice, with no import duty on brown rice. The same import duty existed before the war and has been maintained to encourage the importation of brown rice, so as to utilize the available milling capacity and provide rice by-products for feed and industrial use. Sweden has two large rice-polishing mills, with a reported annual capacity of 22,000 short tons of brown rice.

After 1940, Sweden found it impossible to import brown rice; and all imports from 1941 to date have been of white, milled rice. These imports varied from a high point of 16,400 short tons in 1943, mostly from Brazil, to only 5 tons in 1947. For 1948, 2,750 short tons have been allocated to Sweden from Siam, to be paid for in sterling.

The prewar imports of rice into Sweden were made up of about 70 percent short-grain rice and 30 percent medium- and long-grain types. The trade reports that the price factor is the most important item determining the choice of short, medium, or long-grain rice and that, in the future, short-grain, brown rice will be purchased in preference to long- or medium-grain, milled rice, and that the country or countries which will supply them with this type of rice will get the business. They also stated that there is some demand in Sweden for high quality, medium- and long-grain, milled rice, in small quantities; but that most of the demand will continue to be for the lower quality brokens and for brown rice.

The reason for this general lack of preference for long-grain rice is the same as in Denmark and Norway--the method of cooking rice and the importance of obtaining relatively cheap rice. The prewar imports of rice into Sweden from the United States, which averaged about 2,200 short tons a year before the war, increased to about 5,200 tons in 1941 and 7,400 short tons in 1942. The trade reports that most of this rice was of the "Pearl" type, which is short-grain rice. They also report the importation of some of the "Edith" and "Blue-Rose" types and stated that premium prices were obtained for small quantities of this rice. They concluded that there will continue to be a market in Sweden for some high-quality rice but that only small quantities can be expected to be absorbed by the consumers.

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EGYPT'S RICE EXPORTS SET RECORD; ANOTHER LARGE CROP FORECAST

Foreign rice purchases from Egypt during the 1947-48 November-October marketing year equaled approximately 675 million pounds, more than 200 million above the previous largest exports of two years ago. The delivery of these sales should place Egypt about in fourth place as a world exporter of rice in 1948, possibly ranking next to Burma, Siam, and the United States.

Exportable supplies from the 1948 (September-November) crop for marketing in 1948-49 are expected to be about the same as the record exports from last year's output. The forecast of the harvest is for a crop below production in 1947. The decrease in output may be offset, however, by a smaller consumption of rice as a substitute for bread-grain flour. In 1947, about 200 million pounds of rice were used for blending with wheat flour. The world shortage of rice in 1948 created a demand for Egypt's surplus and stocks remaining from the 1947 crop are relatively small.

EGYPT: Rice exports by country, in terms of milled, average 1936-40, annual 1944-48

Country of destination	Average 1936-40	1944	1945	1946	1947	1948 a/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Palestine	39	16	16	28	13	-
Syria	27	3	9	6	6	-
Saudi Arabia	0	8	b/	10	8	-
Aden	c/	5	b/	11	6	-
Cyprus	2	3	11	4	2	-
Greece	40	b/	7	8	c/	-
United Kingdom	9	c/	c/	b/	b/	d/ 225
Other Europe	146	c/	b/	b/	b/	-
Ceylon	0	107	e/	347	e/	f/
U. S. (Korea)	-	-	-	-	-	192
India	-	-	-	-	-	153
Middle East	-	-	-	-	-	62
Europe	-	-	-	-	-	42
Other countries	16	6	d/ 257	34	d/ 332	0
Total	279	148	300	448	367	673

a/ Rice purchased by foreign countries during the 1947-48 November-October marketing year. b/ If any, included in other countries. c/ Less than 500,000 pounds. d/ Mostly to Ceylon. e/ Included in other countries. f/ See United Kingdom.

Compiled from official sources, except for 1948.

Egyptian rice exports before the war (1936-40) went primarily to Europe and the Middle East. Average exports equaled 279 million pounds, of which 195 million pounds, or 70 percent, were shipped to European countries as follows (million pounds): Greece, 40; France, 36; Netherlands, 28; Belgium, 26; Rumania, 18; Spain, 9; United Kingdom, 9; Yugoslavia, 4; and other European countries, 25. Exports to the Middle East totaled about 65 million pounds. Tunisia and Algeria received 4 and 2 million pounds, respectively, and an average of about 8 million pounds went to Chile.

The current harvest is tentatively forecast at 56,250,000 bushels, exceeded only by last year's exceptional crop of 62,530,000 bushels. During the prewar years (1935-39) production averaged 33,155,000 bushels, 41 percent less than this year's near-record harvest.

The decrease in production below last year is due almost entirely to a reduction in acreage, for the yields per acre of this harvest are expected to approach the record yields of a year ago. The 1948 acreage is now estimated at 747,000 acres compared with 805,000 in 1947, and 463,000 before World War II. An increase in the area planted to cotton, stimulated by the high price of cotton, is probably the cause of the decline in rice acreage, as rice must compete with cotton for both land and water.

EGYPT: Rice production, trade, and apparent utilization, a/ averages 1930-39, annual 1943-48

Year	Acreage	Yield per acre	Production		Net exports b/	Apparent utilization b/
			Rough	In terms of milled		
	1,000 acres	Bushels	1,000 bushels	Million pounds	Million pounds	Million pounds
Average:						
1930-34..	352	59.3	20,876	658	109	549
1935-39..	463	71.6	33,155	1,044	279	765
Annual:						
1943.....	667	50.3	33,570	1,057	148	909
1944.....	643	62.1	39,908	1,257	300	957
1945.....	654	64.9	42,454	1,337	448	889
1946.....	656	70.1	45,971	1,448	367	1,081
1947.....	805	77.7	62,533	1,970	673	1,297
1948.....	747	75.3	56,250	1,770 c/	670	1,100

a/ Rough rice of production and where occurring in trade is converted to terms of milled at 70 percent.
b/ During the calendar year following harvest.
c/ Unofficial estimate of exportable supplies.

Compiled from official sources, except as noted.

The domestic consumption of Egypt averaged 49 pounds per capita in the four years 1940 to 1944, but in 1948, because of a shortage of other cereals, the per capita consumption of rice has been substantially above average.

Under the Government's program, a portion of each farmer's 1948 crop will be requisitioned as in 1947-48, and farmers will receive the same price, equivalent to $1.53 per bushel. The Government's price to millers will likewise be the same at $5.63 per 100 pounds. If these prices are maintained, the Government's export price will need to be about $10.50 per 100 pounds.

Fixed wholesale prices of rice during 1948-49 are as follows (per 100 pounds): Cargo, $5.41; mamsouh (ordinary), $5.79; mamsouh (special), $5.89; and glazed, $5.98. The fixed retail price averages about 6 cents per pound.

Based in part upon a report by E. R. Raymond, American Embassy, Cairo.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

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WORLD RICE PRODUCTION INCREASES

The world rice harvest of 1948-49 (August-July) is forecast at 7,300 million bushels compared with 7,100 million in the preceding year and with 7,450 million bushels before the war, according to the first estimate of the Office of Foreign Agriculture Relations. Prospects indicate the crop will be about 98 percent of prewar average (1935-36/39-40) production, and the largest harvested since the end of the war.

The increase in world output is primarily the result of modest gains in a large number of the rice-producing countries. Weather to date generally has been favorable for production in most areas. An important increase took place in Asia, where in Japan, Korea, the Malayan Union, and the Netherlands Indies, some progress was made in recovery of acreages toward prewar levels. Large crops are being produced in China, the Indian Union, Pakistan, the Philippines, Formosa, and Ceylon.

Total production in Europe, Africa, and North America probably will again about equal the record outturn of last year. The rice acreage of the Southern Hemisphere yet to be planted may be only slightly larger than in the year before, when the acreage showed a decline from the high wartime level.

The world's acreage harvested shows an increase of 3 percent over prewar, but average per-acre yields are less as a result of continued fertilizer shortages and lower returns on submarginal land in some areas of expansion. The increase which occurred in the rice acreage of India and Pakistan during the war accounts for much of the total rise in world acreage over prewar.

China's acreage increased in 1948, and early prospects indicated a very good crop would be produced. Flood damage, however, decreased the harvest, and the output is now estimated about the same as last year. The Indian Union may produce one of the largest crops in several years. The planted acreage exceeds that of 1946-47, and weather thus far generally has been favorable. Some of Pakistan's acreage of a year ago was this season planted to jute, and some flood damage in local areas has been reported to have further decreased crop prospects.

In Japan and south Korea, the largest harvests since the war are being gathered. Japan's production is about 4 percent larger than in the preceding year, and is 97 percent of prewar average production. In Korea a slight increase occurred in acreage and exceptionally favorable growing conditions resulted in an outturn about equal to the prewar average.

The total area harvested in the exporting countries of Asia, Burma, Siam, and French Indochina, is expected to show only a slight increase. Civil disturbances in Burma are reported to have retarded recovery in plantings, and the

ROUGH RICE: Acreage, yield per acre, and production in specified countries, averages 1930-31 to 1939-40, annual 1946-47 to 1948-49 a/

Continent and country	Acreage					Yield per acre		Production				
	Average					Average		Average				
	1930-31 to 1934-35	1935-36 to 1939-40	1946-47	1947-48 b/	1948-49 b/	1935-36 to 1939-40	1948-49 b/	1930-31 to 1934-35	1935-36 to 1939-40	1946-47	1947-48 b/	1948-49 b/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA:												
Costa Rica	-	c/ 28	33	30	30	c/ 33.4	33.4	917	935	1,120	952	1,003
El Salvador	22	26	42	-	-	26.9	-	530	700	1,368	-	1,880
Mexico	84	95	157	183	183	42.2	40.2	3,478	4,007	6,760	7,300	7,350
Panama	35	50	105	122	130	32.0	22.8	960	1,600	2,709	2,594	2,965
United States	883	1,004	1,574	1,677	1,723	49.7	45.7	41,572	49,852	72,216	79,345	78,766
Cuba	36	45	107	105	120	21.4	25.9	935	965	2,400	2,870	3,110
Dominican Republic d/	45	80	124	100	92	36.3	45.1	1,517	2,905	3,684	3,840	4,150
Trinidad	7	10	22	-	-	30.0	-	180	300	844	-	-
Total	1,200	1,430	2,330	2,460	2,540	-	-	51,320	63,180	94,630	103,050	104,360
EUROPE:												
Bulgaria	18	19	14	-	-	54.8	-	791	1,041	500	-	-
France	1	1	2	6	12	30.0	41.7	35	30	118	245	500
Italy	360	362	325	348	-	103.9	-	34,139	37,620	26,000	34,300	31,000
Portugal	39	50	64	65	-	68.0	-	1,740	3,398	3,500	4,160	4,160
Spain	117	110	125	130	137	e/ 124.4	98.5	14,558	10,600	10,070	12,700	13,500
Total (excluding U.S.S.R.)	540	560	560	600	660	-	-	51,480	53,150	41,280	54,500	53,300
U.S.S.R. (Europe and Asia)	328	o/ 384	335	-	-	c/ 42.3	-	10,785	c/ 16,225	-	-	-
ASIA:												
Iran	c/ 560	c/ 534	544	545	545	c/ 37.1	39.6	c/ 22,413	18,577	20,576	15,606	21,560
Iraq	c/ 316	c/ 386	-	-	-	c/ 27.3	-	o/ 7,750	11,176	14,200	11,760	15,000
Syria	1	2	19	20	-	55.5	-	45	111	964	-	-
Turkey	66	78	45	56	62	61.2	71.0	3,329	4,774	2,976	3,720	4,400
Burma	12,770	12,671	7,788	9,154	9,250	27.5	28.1	358,219	348,534	194,942	270,547	260,000
China	c/ 47,099	c/ 48,161	45,165	45,373	45,617	c/ 52.5	49.9	2,345,574	2,623,383	2,253,921	2,278,436	2,275,000
Formosa	1,609	1,616	1,435	1,666	-	53.0	-	75,340	85,704	59,015	71,727	-
Manchuria	472	782	400	-	-	40.6	-	14,923	31,783	15,000	-	-
French Indochina	13,505	14,306	9,750	10,650	11,000	22.4	22.7	281,497	319,910	210,000	235,000	250,000
Indian Union f/	70,288	g/ 54,105	60,987	59,656	61,000	25.9	25.4	1,995,645	g/ 1,403,935	1,484,057	1,402,141	1,550,000
Pakistan		g/ 18,686	20,959	21,156	20,650	29.3	26.6		g/ 547,702	579,616	569,900	550,000

ASIA: (Cont'd.)												
Japan	7,887	7,862	7,700	7,830	7,850	75.8	72.6	557,217	595,845	561,082	554,501	576,000
Korea	4,112	3,838	h/ 2,711	h/ 2,753	h/ 2,782	51.0	53.9	197,500	195,763	h/ 110,112	h/ 131,983	h/ 150,000
Malayan Union	740	746	797	862	-	36.3	-	25,333	27,099	20,322	26,868	-
Netherlands Indies i/	9,140	9,794	8,850	9,000	-	32.0	-	276,935	313,144	270,000	275,000	-
Philippine Islands	4,643	4,852	4,816	5,007	5,150	21.6	23.1	105,025	104,877	107,689	109,782	119,000
Siam	7,141	7,0[illegible]	j/ 5,500	j/ 6,700	j/ 7,100	30.1	33.8	231,402	213,079	j/ 170,000	j/ 230,000	j/ 240,000
Total (excluding U.S.S.R.)	190,820	196,9[illegible]	192,830	195,260	97,590	-	-	6,806,560	7,124,960	6,590,500	6,617,000	6,825,000
SOUTH AMERICA:												
Argentina	25	52	122	128	-	59.8	-	1,054	3,112	5,928	5,497	-
Brazil	2,074	2,323	4,166	3,756	-	28.6	-	58,970	66,424	132,779	101,164	-
British Guiana	78	70	98	101	-	50.8	-	3,445	3,559	4,993	4,780	-
Chile	-	13	80	70	-	99.9	-	18	1,299	4,274	4,381	-
Colombia	c/ 114	-	-	-	-	-	-	c/ 2,508	3,378	6,150	7,540	-
Ecuador	-	-	-	-	-	-	-	2,330	3,417	8,945	6,206	-
Paraguay	c/ 4	10	12	12	-	c/ 46.0	-	c/ 175	c/ 460	367	539	-
Peru	126	107	130	160	-	42.8	-	4,551	4,578	6,500	9,400	-
Surinam	c/ 29	37	40	-	-	46.0	-	1,078	1,703	2,507	1,889	-
Uruguay	3	13	23	29	-	66.6	-	201	866	1,723	2,142	-
Total	2,580	2,960	5,370	4,970	5,030	-	-	74,940	89,440	175,340	144,480	155,000
AFRICA:												
Belgian Congo	-	c/ 220	297	-	-	c/ 11.2	-	-	c/ 2,475	4,409	-	-
Egypt	352	463	656	805	747	71.6	75.3	20,876	33,155	45,971	62,533	56,250
French West Africa	1,065	c/ 1,562	-	-	-	c/ 13.4	-	18,087	c/ 20,936	-	-	-
Madagascar	1,354	1,195	1,430	1,430	-	28.3	-	34,166	33,823	34,290	34,290	-
Sierra Leone	307	340	-	-	-	26.8	-	9,015	9,100	-	-	-
Total	3,560	4,210	6,930	7,040	6,990	-	-	87,410	107,850	146,800	163,000	158,000
OCEANIA:												
Australia	21	23	32	26	-	92.0	-	1,629	2,117	2,751	2,489	-
Fiji	10	10	25	-	-	43.1	-	480	431	924	-	-
Total	40	40	90	90	90	-	-	2,200	2,700	4,800	4,700	4,700
World total	199,100	206,500	208,400	210,800	213,300	-	-	7,085,000	7,458,000	7,065,000	7,102,000	7,318,000

a/ Crops harvested in Northern Hemisphere countries during the latter part of the year, together with those harvested in Asia principally from November to May, are combined with crops harvested in Southern Hemisphere countries during the first part of the following year. b/ Preliminary. c/ Less than 5-year average. d/ Calendar year prior to 1946-47. e/ Average 1930-34. f/ Includes acreage and production in areas regularly reported only. g/ Average 1936-37/38-39. h/ South Korea only. In the 1935-39 period, production in South Korea averaged about 150,000,000 bushels. i/ Java and Madura only. j/ Subject to revision.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of the United States Foreign Service officers, results of office research, and other information.

area harvested is expected to be not much larger than in the preceding year, and less than 75 percent of prewar acreage.

Political unrest in French Indochina is preventing any substantial gain in seedings, and the area there is also estimated at about 75 percent of the prewar area. Favorable weather should result in from average-to-good yields per acre.

Siam is the only exporting country of Asia that has steadily increased its rice acreage since the end of the war. The 1948 acreage was expected to be about 400,000 acres larger than in 1947, bringing the total to more than 90 percent of the prewar acreage. Weather so far has been favorable, and the harvest of a large crop is anticipated.

Philippine rice acreage and production is larger than prewar average harvests. The acreage this year was again increased, and a record crop may be produced, despite a setback from typhoon damage near the end of the planting season.

Europe's total output may be slightly less than that of last year. The 1948 planted acreage was larger than in the preceding year, but growing conditions were only about average, whereas the weather in 1947 was exceptionally favorable in the rice-producing countries of that Continent.

Italy's harvest is estimated at about 90 percent of the production of the year before, and approximately 80 percent of its prewar outturn. Despite a substantial gain in acreage, a decrease occurred as a result of unfavorable weather. The acreage of Spain again increased, and large per-acre yields were produced (see Foreign Crops and Markets, October 4, 1948). The outturn of Portugal is about the same as last year's record, or about 22 percent above the prewar average.

African production may be slightly less than in the year before. Early estimates of the Egyptian acreage indicate some area diverted to cotton, but the yields per acre are nearly as large as the record yields of last year, and are expected to result in a near-record crop (See Foreign Crops and Markets, October 25, 1948). Political unrest in Madagascar continues to prevent any gain in the planting and harvesting of the rice acreage.

Total North American harvests are expected to about equal last year's record. The United States acreage increased slightly, but lower yields brought the harvest to 1 percent below last year. Mexico planted an acreage comparable with last year's record, and weather so far has been favorable for production.

A marked increase is taking place in the rice production of several Central American countries. Nicaragua's 1948-49 crop is expected to be nearly double that of last year, and the production of El Salvador, another exporting country, also shows a substantial gain. Production is up also in the importing countries, Panama and Costa Rica. The acreage of Honduras was increased, but adverse weather resulted in the production of only a normal crop.

The total production of the Caribbean area is slightly larger than the output of a year ago. Cuba increased its acreage 14 percent, and despite considerable loss from the September hurricane, a record crop probably will be harvested.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, Russell S. Kifer, L. Thelma Willahan, and Constance H. Farnworth.

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CUBA RESTRICTS IMPORTS OF HIGH-QUALITY RICE

In an effort to lower current consumer prices of rice, the Cuban Government on October 22 secured an agreement with about 90 percent of the importers to withhold purchases of long-grain rice selling for more than $11.00 per 100 pounds, c.i.f. Habana. This price-control measure, originally adopted for a period of two weeks, on November 4 was temporarily continued.

Purchases during the first two weeks under the voluntary control indicated merchants generally were complying with the agreement. Total purchases during the week ended October 29 equaled 31.5 million pounds, all United States rice. Of these, 28.4 million were priced c.i.f. Habana, of which the best selling varieties were 8.9 million pounds of Rexora and/or Blue Bonnet long-grain rice. The most numerous purchases of these varieties were 50% brokens, for which the average price was approximately $10.10 per 100 pounds; 30% brokens and second heads were from $10.25 to $11.00 per 100 pounds, with one sale of 300,000 pounds at $11.20; and 20% brokens were $9.35 and $11.00 per 100 pounds.

CUBA: Rice prices,[a] c.i.f. Habana, per 100 pounds, for specified months, 1947 and 1948

Type and quality	1947		1948			
	August	December	April	August	Mid-September	October 23-29
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
U.S. Long grain						
Rexora or Blue Bonnet 10% broken	-	14.40	13.50	11.50	10.95	b/11.60
Rexora or Blue Bonnet 20% broken	13.50	-	14.75	11.50	10.35	10.20
Rexora or Blue Bonnet 30% broken	13.20	13.40	13.90	10.00	9.85	10.40
Fortuna, 30% broken	12.00	12.75	13.00	10.00	8.80	9.70
U.S. Short grain						
Zenith 20% broken	12.00	11.25	-	-	8.80	9.10
Zenith 40% broken	-	-	11.80	10.75	-	c/ 8.70
Early Prolific 50% broken	10.35	10.75	10.80	7.50	-	7.50
Other long grain						
Ecuadoran 15-20% broken	12.30	11.40	d/11.25	-	-	-
Mexican Edith 20-25% broken	11.00	-	d/11.25	-	-	-
Brazilian Agulha 20% broken	-	-	e/10.50	-	-	-
El Salvadoran 20% broken	-	-	f/11.40	-	-	-
Nicaraguan 20% broken	-	-	f/11.70	-	-	-

a/ Approximate, as prices frequently vary during the month and with size of lot offered. b/ Sales totaled 200,000 pounds. c/ 30% broken. d/ February 1 quotation. e/ March 1 quotation. f/ May 1 quotation.

Office of Foreign Agricultural Relations.

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Cuban rice supplies in coming months are expected to be plentiful. Current inventories are sufficient for several weeks' consumption, and as of the first of October the unlifted portion of the quantity of total rice allocated to Cuba by the International Emergency Food Committee amounted to about 180 million pounds. In addition to these availabilities, a record production is now being harvested.

High prices early in 1948 encouraged farmers to increase the rice acreage, and a favorable planting season combined with ample seed supplies and labor enabled them to plant an acreage larger than the expanded rice area of the war years. Climatic conditions were ideal for production until September 20, when the first of two hurricanes caused considerable rice-crop damage.

Despite the loss which resulted, estimated between 10 and 15 percent of expected production, the harvest may reach 3,100,000 bushels (90 million pounds milled) compared with the revised estimate of 2,870,000 bushels (84 million pounds) a year ago, and with the average output of about 1,000,000 bushels (30 million pounds) during the prewar (1935-39) years. The 1948 crop may be equal to about 15 percent of domestic rice consumption.

New crop data recently released by the Cuban Ministry of Agriculture as a result of a detailed 1945 census indicate the domestic rice harvests have been larger than reported in recent years. Rice acreage, production, and consumption statistics, therefore, have been revised upward to take into account these larger harvests.

CUBA: Rice production, imports, and apparent utilization, averages 1926-40, annual 1946-1949

Year	Acreage a/	Yield per acre a/	Production a/ Rough	Production a/ In terms of milled	Net imports	Apparent utilization
	1,000 acres	Bushels	1,000 bushels	Million pounds	Million pounds	Million pounds
Average:						
1926-30...	-	-	923	26	464	490
1931-35...	36	26.0	935	27	359	386
1936-40...	45	21.4	965	28	445	473
Annual:						
1946......	100	23.3	2,330	68	330	398
1947......	107	22.8	2,440	71	621	b/ 692
1948......	105	27.3	2,870	84	c/ 440	b/ 524
1949......	120	25.9	3,110	91	-	-

a/ Unofficial estimates for crops harvested principally October-November in years which precede given years of trade and utilization.
b/ Allowance should be made for large carry-over stocks on January 1, 1948.
c/ Estimated allocation.

Compiled from official sources and estimates of the Office of Foreign Agricultural Relations.

Cuban rice consumption during 1947 probably was the largest on record. The demand was strong and supplies plentiful. During the first half of the year utilization was stimulated by effective demand of the sugar workers. Later the tendency toward a lessened demand was offset in whole or in part by increased supplies, the removal of virtually all distribution controls, and the adoption of flexible price ceilings. Even though the total consumed was at a record level, the 1947 per capita consumption equaled about 104 pounds, which is lower than the 110 pounds considered to be the prewar average.

Rice utilization in 1948 may exceed that of 1947. Buying power continues strong, prices, which have been favorable compared with prices of other basic foods, have declined, and supplies are expected to be sufficient throughout the year. Consumption during the first seven months of 1948 apparently averaged nearly 47 million pounds a month compared with 43.5 million pounds in 1947.

CUBA: Disappearance of rice, 1947

Milled rice	Disappearance: Total	Disappearance: Per capita
	Million pounds	Pounds
Supply:		
Stocks, January 1, 1947	35	7
Domestic production marketed	87	17
Imports	621	124
Total	743	148
Total stocks, December 31, 1947	220	44
Estimated disappearance	523	104

Cuban Embassy.

Flexible price ceilings were adopted on September 30, 1947 - wholesalers are permitted to sell imported rice on the basis of total legitimate costs, plus a profit margin of 10 percent. Retailers may sell imported rice on the basis of costs plus 20 percent. The price of the domestic crop is not regulated, but the crop is usually sold at prices competing with those of the imported product.

Cuban rice growers, anticipating a large crop, heavy imports, and declining prices, for several weeks during the first part of the harvesting season advocated the imposition of quotas in accordance with the allowances granted in the General Agreement on Trade and Tariffs signed at Geneva. This appeared to be an inflationary measure, however, and the Cuban Government apparently substituted the restriction of high-priced purchases in an attempt to decrease consumer prices.

Ninety-nine percent of the record 1947 imports (621 million pounds) were taken from the United States, but in the first part of 1948 increased quantities were imported from Latin American countries. Cuban imports during the first seven months of 1948, the most recent period for which data are now available by country of origin, totaled 228 million pounds, and were from the following countries (million pounds): United States, 159 (70 percent); Ecuador, 27 (12 percent); Mexico, 22 (10 percent); Uruguay, 9 (4 percent); Brazil 7 (3 percent), and others, 4 (1 percent).

CUBA: Rice imports, by month, August 1943- October 1948

Month	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
August....	27	28	16	17	13	3
September.	29	42	34	6	35	27
October...	62	48	55	18	103	a/ 30
November..	30	61	39	29	96	-
December..	34	38	59	55	96	-
January...	36	48	48	43	16	-
February..	35	39	39	30	5	-
March.....	44	33	31	75	34	-
April.....	33	21	34	77	26	-
May.......	26	24	19	44	94	-
June......	19	15	20	55	40	-
July......	46	22	34	22	13	-
Total..	421	419	428	471	571	-

a/ Estimated.

Compiled from ships' manifests.

The United States has been the principal source of rice for Cuba only since 1940. Peak imports from the Orient in 1936 approximated 430 million pounds, the countries of origin being Siam, Burma, and French Indochina. In 1937, the first year in which a marked increase occurred in arrivals from the United States, imports from Asia began to decline. By 1939, about 50 percent of the total was received each from the United States and Far Eastern sources. During the two years before the war cut off supplies from Asia, the percentage imported from the United States continued to gain, amounting to 60 percent in 1940 and to 92 percent in 1941. During the war, Cuba became entirely dependent on rice from Western Hemisphere countries, where it was in very short supply.

Based in part upon a report by Louis C. Nolan, Agricultural Attache, and Jack R. Johnstone, Vice Consul, Habana.